



# ONTARIO ENERGY BOARD

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**VOLUME:** Stakeholder Conference Day 1

**DATE:** September 22, 2008

THE ONTARIO ENERGY BOARD

**IN THE MATTER OF the Ontario Energy Board Act, 1998,  
S.O. 1998, c. 15, Schedule B;**

Hearing held at 2300 Yonge Street,  
25<sup>th</sup> Floor, Toronto, Ontario,  
on Monday, September 22, 2008,  
commencing at 9:31 a.m.

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STAKEHOLDER CONFERENCE, DAY 1  
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BARB ALLEN	
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BILL DUFTON	Environment
JUDY SIMON	IndEco Strategic Consulting

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GWYNNE CHEUNG CATHERINE CHISLETT	City Of Toronto Shelter, Support & Housing Administration Division

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1 --- Upon commencing at 9:31 a.m.

2 **INTRODUCTORY REMARKS:**

3 MS. HARE: Good morning. And thank you for  
4 participating in the Ontario Energy Board's stakeholder  
5 conference on energy issues relating to low-income  
6 consumers, docket EB-2008-0150.

7 My name is Marika Hare. I'm managing director of  
8 regulatory policy at the Ontario Energy Board. In  
9 attendance, representing the Board, are Howard Wetston,  
10 Chair of the Ontario Energy Board, Gordon Kaiser, Vice-  
11 Chair of the Board, and Paul Sommerville, Board Member.

12 We also have Board Staff participating throughout this  
13 conference. With me to my left is Mary Anne Aldred, Board  
14 general counsel, and Alison Cazalet, policy analyst.

15 This is a stakeholder conference, meaning that it's  
16 not a hearing, but a consultation convened by the Chair --  
17 a consultation convened by the Chair to support  
18 consideration by Board Members of policy issues.

19 The purpose of the stakeholder conference is to gather  
20 information and views, not to make formal decisions or  
21 determinations. It will provide an opportunity for members  
22 of the Board and Board Staff to hear directly from those  
23 interested parties on energy issues relating to low-income  
24 consumers.

25 Howard Wetston, our Chair, would like to say a few  
26 words.

27 --- REPORTER'S NOTE: Microphone feedback.

28 MR. WETSTON: Well, thank you. Now I've got a light.

1 So I can only speak with a light on, obviously.

2 I want to welcome everybody here today to this  
3 stakeholder conference. I'm underlining that it is a  
4 stakeholder conference. Marika Hare has outlined the  
5 nature and purpose of the conference very briefly.

6 We are pleased, myself, Mr. Kaiser, and Mr.  
7 Sommerville, are pleased to see the number and welcome the  
8 expertise of the participants who have decided to join us  
9 today.

10 I think it goes without saying that the issues that  
11 we're going to address this week are important, and we  
12 recognize the challenges that low-income consumers face.  
13 Obviously, those challenges go beyond energy issues. I'd  
14 like you to keep that in mind in your presentations and in  
15 the discussion this week.

16 Attending with me, obviously, is Vice-Chair Gordon  
17 Kaiser on my left, and Board Member Paul Sommerville. I  
18 think they're well known to many of you.

19 In my opinion, as regulators, we have a duty -- and I  
20 underline that -- that we have a duty to constantly  
21 consider matters within our authority that are important to  
22 the people of Ontario. This is obviously one of those  
23 matters.

24 If at the end of this policy process further steps are  
25 required, the Board will propose such further steps. We  
26 will do that according to the normal processes of the  
27 Board. Obviously, it may be further consultation on  
28 matters, but we will engage more typical processes that we

1 engage in in policy discussions and any further steps that  
2 may be required.

3 It's my hope that we're able to focus not only on  
4 problems, but if you're going to present, let's focus on  
5 solutions as well.

6 As this is a stakeholder conference, we've decided not  
7 to deal with any threshold issues. We are -- we would  
8 rather address issues as outlined in the agenda, which we  
9 gave a lot of and careful thought to and which you have  
10 before you.

11 So in that regard, we look forward to hearing your  
12 views, and I'm going to pass it back over to Marika. Thank  
13 you.

14 MS. HARE: Thank you. As you know, this consultation  
15 is being transcribed, and is also being heard via webcast.  
16 Therefore, when you have questions, when you want to make a  
17 comment, please identify yourself by name so that those  
18 listening in know who's speaking and the court reporter can  
19 correctly attribute your comments.

20 Microphones are available in both corners of the room,  
21 if you do have questions, when we get to the discussion  
22 period.

23 You'll note that presenters are listed by topic. Each  
24 presenter will have an opportunity to provide views on that  
25 topic, and after all of the presenters are finished, we'll  
26 be open for questions and discussion.

27 I'll try to moderate the discussion such that everyone  
28 has an opportunity to be heard. I'd also try to keep the

1 presenters close to our time lines.

2 With that, I'd like to introduce the panellists in  
3 topic number 1, which is the question:

4 "Should the Board implement policies, programs,  
5 or other measures designed to assist low-income  
6 energy consumers?"

7 We have eight speakers on this topic. You'll note  
8 that that's a change from the agenda that was last posted.  
9 Unfortunately, we've had some cancellation due to  
10 unforeseen circumstances.

11 So Adam Spence from the Food Bank is not able to  
12 attend today, and neither is Dwayne Nashkawa from the  
13 Nipissing First Nations. Murray Newton from IGUA has been  
14 moved to present on topic number 4 on Wednesday.

15 So the first speaker will be Theresa McClenaghan,  
16 executive director of the Canadian Environmental Law  
17 Association.

18 **PRESENTATION BY MS. McCLENAGHAN:**

19 MS. McCLENAGHAN: Thank you. And do I have a  
20 microphone?

21 THE REPORTER: Sorry, just press the button there.

22 MS. McCLENAGHAN: Okay. Thank you very much.

23 And I'm presenting on behalf of the Low-Income Energy  
24 Network, as well as on behalf of the Canadian Environmental  
25 Law Association, the Association of Tenants of Ontario, the  
26 Toronto Energy Alliance, and -- I'm missing somebody --  
27 Income Security Advocacy Clinic -- thank you -- all of whom  
28 are intervening in our own right but are choosing to

1 collaborate and present together on all of the topics at  
2 this conference.

3       The Low-Income Energy Network is a network of anti-  
4 poverty, affordable housing, and environment groups. We  
5 were formed in 2004 and have 70 member organizations, as  
6 well as individual and corporate supporters, and we raise  
7 awareness and propose solutions to energy poverty through  
8 outreach to community groups, outreach to the public,  
9 participating in processes such as this tribunal and  
10 legislative processes, working with policy-makers and  
11 utilities to develop workable solutions to energy poverty.  
12 And we have worked with many of you in this room in that  
13 quest.

14       Our mission statement is to ensure universal access to  
15 adequate energy as a basic necessity, while minimizing the  
16 impacts on health and local and global environment of  
17 meeting the essential energy and conservation needs of all  
18 Ontarians. And we promote programs and policies which  
19 tackle the problems of energy, poverty, and homelessness,  
20 reduce Ontario's contribution to smog and climate change,  
21 and promote a healthy economy through renewable and energy-  
22 efficient technologies.

23       So today we are first addressing topic 1. And as  
24 noted by the Board Chair, energy poverty is a serious and  
25 systemic problem that can't be addressed with just one-off  
26 solutions, and we do recognize it's integrated with other  
27 problems, absolutely.

28       Of course, the Board has responsibility for natural

1 gas and electric utility regulation, and a mandate to set  
2 just and reasonable rates. And we note that most low-  
3 income consumers buy either system-gas or regulated price  
4 plan electricity, and therefore a great deal, perhaps 100  
5 percent, of the price they pay is based on the bills around  
6 those two jurisdictions.

7 MS. HARE: Excuse me. Just come a little closer to  
8 the microphone. Thank you.

9 MS. McCLENAGHAN: The other comment to make is that  
10 the Board does have the relevant expertise to implement  
11 policies, programs, and measures. And we note that a theme  
12 we'll return to a few times throughout this week is that  
13 assistance directly from government, while another  
14 possibility, is less flexible, less certain, and one of the  
15 things that we look for in a rate system is certainty with  
16 respect to all of the consumers. And we'll address more  
17 specifics on that in another topic.

18 We also note that natural gas and electricity services  
19 are universal services, and as such, customers of all  
20 classes should contribute, in our view, to the assistance  
21 required by low-income consumers.

22 There are many precedents for this in other  
23 jurisdictions, as we will address as we proceed, and in  
24 terms of some of the theory of rate-setting, and we'll  
25 address that as well in another topic.

26 And again, as we would note, low-income consumers do  
27 need affordable rates, and we do think there are win/win  
28 alternatives, in terms of both customers and utilities.

1 I won't belabour the broader context, but we are  
2 situated at a time of various intersecting initiatives and  
3 policy needs in the Province of Ontario -- environmental,  
4 social, and economic. We have the goal to reduce peak  
5 electricity demand, which is an extremely important goal  
6 being spearheaded in part by the OPA, and including a  
7 substantial investment for conservation.

8 We also have Ontario's climate change plan in  
9 progress, together with the coal plant phase-out, of  
10 course. At the same time, provincially we have a long-term  
11 affordable housing strategy in development and a poverty  
12 reduction strategy in development as well, which we hope  
13 will have firm targets to measure progress.

14 We also have a number of initiatives underway in terms  
15 of replacing, refurbishing, rebuilding or conserving a  
16 substantial amount of generating capacity, and of course in  
17 other proceedings before this Board, the IPSP under  
18 consideration.

19 We are in a context where we can expect energy prices  
20 to be continuing to increase, and natural gas and oil  
21 prices also on the rise, and so low-income consumer will  
22 have to consider how they'll be dealing with those  
23 pressures.

24 In terms of low-income consumers, of course, we have  
25 particular vulnerability to increases like that in terms of  
26 shelter and utility costs, and in the case of this set of  
27 consumers, it can actually put their housing in jeopardy.

28 The second-most significant reason for economic



1 evictions in Ontario, right after unaffordable rents, is  
2 high energy costs. Often many face choices between  
3 heating, eating and paying the rent. And reductions in  
4 energy use, if that's the course that's pursued in a  
5 household, may be at the expense of health or socially  
6 acceptable standards of living, and we hear about that.

7       Some of the striking distinctions in terms of the low-  
8 income households is that a far greater proportion of those  
9 households have electric heating as their principal heating  
10 equipment. A far greater percentage of them use  
11 electricity as their principal heating fuel, and a far  
12 greater percentage use electricity for the principal  
13 heating for hot water.

14       So this graph demonstrates in pictorial terms the  
15 difference with electric heating, for instance, showing  
16 that the lowest quintile, 27 percent of the households, use  
17 electric heating. The fourth or second-highest quintile is  
18 6.4 percent. And the highest quintile, it's such a low  
19 number that it's not statistically reliable to portray it  
20 on this slide.

21       In terms of participation of low-income consumers,  
22 low-income consumers want to be part of the solutions too.  
23 So as we all pursue solutions to greenhouse gases, to smog-  
24 causing pollutants, to dealing with wastes out of the  
25 nuclear plants and to the reduction of use of electricity,  
26 low-income consumers need to be part of that solution for  
27 many reasons, including the fact that they want to be.

28       About 38 percent -- this is a bit of a cobbled-

1 together statistic based on residential sector plus a  
2 portion of the MUSH sector, which is apartments, so used by  
3 residential sector, and home heating is responsible for 15  
4 percent of greenhouse gas emissions in Ontario.

5 So while on the one hand high energy costs may spur  
6 conservation, which is a good thing, high energy prices  
7 will also increase the energy burden on low-income people,  
8 who face barriers to accessing conservation and efficiency  
9 measures.

10 A couple of points in terms of poverty statistics:  
11 Almost 15 percent of Ontario's population is living at or  
12 below the poverty line, and most of these residents live in  
13 tenant households, and most in the private rental market.  
14 We'll hear more about that as the week goes on as well,  
15 about how that makes differences in terms of access to  
16 conservation or dealing with rates.

17 In terms of housing affordability, 45 percent of  
18 Ontario's tenant households pay 30 percent or more on  
19 household income and shelter costs, including utilities.  
20 Twenty percent pay 50 percent more on those costs, and are  
21 therefore at substantially increased risk of homelessness.

22 So, in terms of energy burden, it's a disproportionate  
23 burden on low-income consumers, as we just saw, and this  
24 term is used in some jurisdictions, such as the UK, to  
25 refer to the amount of household income spent on energy.  
26 And so the UK used a definition of fuel-poor households,  
27 defined as spending more than 10 percent of household  
28 income on energy.

1       Some experts, including ours, say that 6 percent is an  
2 affordable burden. In terms of why 6 percent, if total  
3 shelter burden is affordable at 30 percent and utility  
4 costs are 20 percent of that, that would translate into a 6  
5 percent burden of income.

6       In terms of how this looks in the real world for some  
7 consumers, a single mother with two children receiving  
8 social assistance would be spending, then, 16 to 24 percent  
9 of her maximum shelter allowance for a typical electricity  
10 bill, or for a single person working 34 hours a week at  
11 minimum wage, 8 to 12 percent of their total monthly pre-  
12 tax income on their electricity bills.

13       And in terms of ability of families to deal with these  
14 issues, some surveys have shown that the typical low-income  
15 family in Ontario has only a \$200 cushion to buffer income  
16 interruptions for unexpected expenditures of all  
17 descriptions.

18       In terms of low-income consumer, as I mentioned, 65  
19 percent are tenant households, but 35 percent are  
20 homeowners, and of those, almost 40 percent are seniors.

21       It's very important to keep in mind both kinds of  
22 households as we look for solutions.

23       We advocate that solutions are affordable energy and  
24 energy conservation, and we want low-income households to  
25 both be able to afford their energy expenditures and also  
26 to be able to participate in reducing those energy  
27 expenditures by way of robust conservation measures.

28       We have a triangle, a diagram that depicts the path

1 forward, basically showing that we think emergency  
2 assistance is last-resort. While important, it's not the  
3 tool you want as the primary tool to deal with this issue.

4 Bill assistance is second on the pyramid, in terms of  
5 making rates affordable, and then reliance and a lot of  
6 expenditure on energy conservation and efficiency and  
7 consumer protection and education. We think that's an  
8 appropriate hierarchy to advocate.

9 So we do advocate a permanent low-income energy rate  
10 assistance program, with rate affordability, arrears  
11 management, crisis intervention, conservation and demand  
12 management and consumer protection, and not to pay more  
13 than 6 percent of total household income on energy. We'll  
14 get into all these issues throughout the week.

15 And we are noting the benefits would include lower  
16 energy bills for those least able to afford those bills,  
17 reduced poverty and homelessness risks, improved quality of  
18 life, including comfort and safety, and reduced pollution  
19 participating in the solutions forward, as well as reduced  
20 demand for emergency assistance, reduced costs to  
21 utilities, reduced need for public expenditures including  
22 health, fire, building, homeless shelters, and housing  
23 programs.

24 And we want to avoid the very unattractive choice that  
25 many do face and are at risk of facing in greater numbers  
26 of heating, eating, or paying the rent. And as noted at  
27 the outset, we do rely on the Board's jurisdiction to  
28 approve or fix just and reasonable rates and to take

1 ability to pay and affordability into account in that  
2 exercise.

3 And we advocate that the Board must be guided, of  
4 course, by the public interest, by the protection of the  
5 interests of consumers with respect to prices and  
6 reliability and quality of service, and avoiding, as noted,  
7 the choices of -- difficult choices in terms of which bill  
8 to pay or even works disconnection of service.

9 So that's our presentation for topic 1, and we thank  
10 you very much for your attention.

11 MS. HARE: Thank you. Our next presenters are from  
12 Green Light on a Better Environment. Bill Dufton and Colin  
13 Gage.

14 **PRESENTATION BY MR. GAGE:**

15 MR. GAGE: Good morning, and thank you for the  
16 opportunity to seek to you today.

17 My name is Colin Gage and I'm the chair of the board  
18 of directors of Green Light on a Better Environment, or  
19 GLOBE, as it's commonly referred to. I'm also the  
20 executive director of Victoria Park Community Homes, which  
21 is the largest not-for-profit housing corporation in  
22 Southwestern Ontario, with over 2,000 units in its  
23 portfolio, spent over 67 housing developments. These  
24 developments house mixed communities, family housing  
25 communities, which are predominantly multicultural.

26 I'm joined at this consultation today by Mr. Bill  
27 Dufton, who is a director with GLOBE, and by Judy Simon,  
28 who is the vice-president of IndEco Strategic Consulting,

1 GLOBE's consultant in this consultation.

2 Bill and I will deliver our presentation to you this  
3 morning, and the three of us are prepared -- are available  
4 to answer any questions you may have.

5 GLOBE appreciates the opportunity to address you this  
6 morning, Mr. Chairman and other members of the Board, as  
7 well as the other members of the consultation group. We  
8 thank you for that.

9 I will now address the question:

10 "Should the Ontario Energy Board implement  
11 policies, programs, or other measures designed to  
12 assist low-income energy consumers?"

13 However, before doing that, I would like to give the  
14 Board and the participants some background information  
15 about GLOBE, the Social Housing Services Corporation, and  
16 the social housing sector in general, in order to help you  
17 better understand the context of our response today.

18 We have prepared a package of materials, which I  
19 believe is here, which we'll hand out to you, to better  
20 understand the context of what we're about to present to  
21 you.

22 The paper that we're going hand out, basically, is a  
23 primer and a data table, which will give you the context in  
24 which we're about to present.

25 GLOBE is a social enterprise established to support  
26 energy conservation in the social housing sector and make  
27 the world of energy easier to navigate for social housing  
28 providers and residents. GLOBE operates as a business, but

1 manages its operations and redirects its surpluses to a  
2 sustainability fund to pursue social environmental goals.

3 GLOBE is a subsidiary of the Social Housing Services  
4 Corporation that was created in 2007. SHFC is a  
5 provincially legislated, non-profit corporation that  
6 provides housing-related programs and services to housing  
7 providers across Ontario. These services include programs  
8 in energy and water management, investment, insurance,  
9 natural gas purchasing, best practices, and research.

10 Social housing in Ontario is an important part of the  
11 social safety net for low-income people that can't afford  
12 market rents for accommodation.

13 Social housing represents a \$40-billion infrastructure  
14 replacement value. There are over 267,000 social housing  
15 units across Ontario, providing housing to some 667,000  
16 Ontarians. About 79 percent of these housing units or  
17 185,000 units are subsidized on a rent-geared-to-income  
18 basis, which means that a household pays no more than 30  
19 percent of its total household income on rent, heat, and  
20 hot water.

21 Social housing providers, of which there are  
22 approximately 1,900 in Ontario, own and operate these  
23 social housing units. Social housing providers can be  
24 grouped into six types: Local housing corporations, non-  
25 profits, co-ops, affordable rental housing, supportive  
26 housing, and emergency and transitional housing.  
27 Definitions of these can be found in the paper which we're  
28 going to deliver out to everybody today.

1        Social housing buildings come in many different types  
2 of shapes, sizes, ranging from scattered homes, collections  
3 of single-unit townhouses and small buildings, to large  
4 apartment-style buildings with hundreds of units. What  
5 many of these buildings have in common is that they are  
6 very energy-inefficient. Many were built in the era of  
7 cheap energy and now require major retrofits.

8        In the late 1980s, the Government of Ontario, through  
9 what they referred to as the maximum unit price, specified  
10 that most newly constructed social housing should be heated  
11 by electric baseboard heaters in order to minimize the  
12 construction costs, since other forms of heating were more  
13 expensive to install.

14       And a 2006 survey of 185 social housing providers  
15 found that 26 percent of all social housing units in  
16 Ontario, or about 60,500 units, and 61 percent of social  
17 housing apartments have electric heat. This lowest-cost-  
18 first approach has also resulted in the installation of  
19 poor insulation and inefficient windows.

20       Today housing providers of social housing residents  
21 must pay the higher operating costs that resulted from this  
22 policy. Social housing providers in Ontario spend well  
23 over \$400 million a year, or 40 percent of their overall  
24 operating budget, on energy and water, which is the most  
25 volatile operating cost, as you can appreciate, in their  
26 budgets. This is from a 2004 survey, and so the numbers  
27 today are much higher.

28       These increasing costs and complex and outdated



1 funding formulas and the funding freezes over the years  
2 have resulted in the deferral of existing and preventative  
3 maintenance and the use of capital funds to bridge the  
4 operating deficits. This has resulted in a lack of capital  
5 funds to invest in the buildings, particularly in the area  
6 of energy-efficiency upgrades.

7 This lack of upfront capital is further exacerbated  
8 because housing providers are not being permitted to either  
9 remortgage their properties to make additional capital  
10 available or to increase their borrowing against the value  
11 of their assets.

12 Social housing households have a disproportionately  
13 high proportion of elderly, disabled, and recent immigrant  
14 residents compared to the general Ontario population.  
15 There are social housing units built specifically for young  
16 single mothers, for people who are hard to house, and for  
17 who are homeless, and also for seniors.

18 Some residents, particularly disabled and elderly  
19 residents, receive support care services that allow them to  
20 live independently or to build life skills. Most buildings  
21 have some units that are modified for accessibility, while  
22 others have been built with the goal of integrating a  
23 larger number of residents with disabilities into their  
24 housing communities. Many community non-profits,  
25 particularly those for seniors, were built by a particular  
26 ethnic community.

27 About 39 percent of all social housing units pay their  
28 own utility bills, while 74 percent of not-apartment-type

1 social housing units pay their own utility bills.

2 It is difficult for social housing residents to  
3 respond effectively to time-of-use pricing. Responding is  
4 particularly problematic for the elderly, the infirm and  
5 the disabled, and the mentally challenged. These residents  
6 tend to spend more time at home due to their mobility and  
7 other issues.

8 I'm now going to turn over our response to Mr. Bill  
9 Dufton, who will address the question:

10 "Should the Ontario Energy Board implement  
11 policies, programs, or other measures designed to  
12 assist low-income energy consumers."

13 Bill?

14 **PRESENTATION BY MR. DUFTON:**

15 MR. DUFTON: Thank you, Colin.

16 What the profile that Colin gave you of social housing  
17 residents paints is a picture of vulnerable residents, and  
18 we'd state that they should all be considered low-income  
19 energy consumers.

20 It's clear that both social housing residents and  
21 social housing providers have special circumstances and  
22 needs and are clearly identifiable and a distinct market  
23 segment, and should receive services designed specifically  
24 to accommodate the sector.

25 Therefore, it's GLOBE's view that the OEB should  
26 implement policies, programs, or other measures to assist  
27 social housing residents and housing providers.  
28 Specifically, the Board should ensure that the OPA and gas

1 utilities provide CDM/DSM programs specifically targeted at  
2 meeting the needs of social housing residents and housing  
3 providers. These programs should be coordinated, easy to  
4 access, and easy to participate in.

5 The social housing sector represents a good  
6 opportunity, I'd say a great opportunity, for CDM and DSM.  
7 Social housing residents are easier to identify than other  
8 low-income consumers who live in the private rental or  
9 homeowner markets, because social housing can be readily  
10 identified itself.

11 There are also significant energy savings to tap due  
12 to the quality of the social housing building stock, which  
13 Colin referenced earlier, and the lack of resources  
14 available to providers and residents to conduct energy  
15 retrofits.

16 The Board should ensure that the OPA and gas utilities  
17 provide coordinated education to enable social housing  
18 residents and social housing providers to participate  
19 effectively in programs. This would include information  
20 about programs and how to access them, as well as general  
21 information on energy conservation and efficiency and the  
22 benefits of these to the social housing provider and the  
23 residents, in order to address the unique needs of social  
24 housing residents, such as language barriers, literacy,  
25 disability, and other issues. The materials and methods of  
26 delivery should be designed to be accessible to the  
27 residents.

28 GLOBE has experience in delivering education and

1 energy conservation and efficiency programs to the social  
2 housing sector, and based on our knowledge and experience,  
3 we have lessons learned which we could share.

4 The Board should ensure that the customer care  
5 policies of the gas and electric utilities provide adequate  
6 support for social housing residents that pay their bills  
7 directly to stay connected.

8 Educational programs may not be sufficient. Other  
9 customer care assistance may be necessary to help residents  
10 pay their energy bills.

11 The Board should provide bill discounts on an as-  
12 needed basis for social housing residents who pay their  
13 energy bills, in recognition of the reduced ability of  
14 these residents to pay their energy costs. It is hoped  
15 that residents will require such assistance on an interim  
16 basis until energy bill reductions have occurred as a  
17 result of participation in energy education opportunities  
18 and participation in CDM/DSM.

19 GLOBE also recommends that Social Housing Services  
20 Corporation, the Board, and Ministry of Community and  
21 Social Services, as well as other relevant groups, form a  
22 working group to develop options to prevent energy poverty  
23 among all social housing residents.

24 This completes our presentation. Thank you very much.

25 MS. HARE: Our next presenter is representing the  
26 Federation of Rental Housing Providers of Ontario. It's  
27 Mike Chopowick, manager of policy.

28 **PRESENTATION BY MR. CHOPOWICK:**

1 MR. CHOPOWICK: Good morning, my name is Mike  
2 Chopowick, manager of policy of the Federation of Rental  
3 Housing Providers of Ontario. We appreciate the  
4 opportunity to comment today.

5 This morning let me tell you a little bit about our  
6 organization and explain our position on a low-income  
7 energy program, recommend how to best assist low-income  
8 users with affordability, and we'll emphasize some  
9 opportunities and benefits of sub-metering the rental  
10 housing to measure usage and encourage conservation. We'll  
11 also identify some programs that we do support for  
12 providing relief targeted to low-income customers.

13 The Federation of Rental Housing Providers of Ontario  
14 is a non-profit industry association of residential  
15 landlords and property managers across Ontario. We  
16 represent over 800 members who supply over 250,000 rental  
17 suites across the province.

18 Our mission statement, in addition to promoting a  
19 healthy rental housing market, is also to advocate for  
20 adequate assistance for low-income households. We're  
21 pleased to see the OEB consider this issue.

22 We're on slide 5 now.

23 In considering affordability, we note there are many  
24 parallels between challenges facing consumers in both the  
25 energy market and the rental housing market. For this  
26 reason, we do not favour measures which would subsidize  
27 energy consumption. Our position is that the energy rate  
28 base is ill-suited for funding energy -- for funding

1 assistance programs, and there are other provincial  
2 agencies which are more appropriate for setting policies  
3 and implementing programs for improving affordability.

4 The next slide there, number 6; it's important to put  
5 energy costs and prices into context with general housing  
6 affordability. For most lower income tenants, their energy  
7 costs are a built-in component of their housing costs.  
8 When it comes to housing in Ontario, we do have adequate  
9 supply across all price points. The challenge, however, is  
10 we have a large number of households with low or  
11 insufficient incomes. And this, we believe, is the root of  
12 Ontario's housing affordability program. The slide you see  
13 there helps illustrate this. This shows in Ontario the  
14 significant number of rental households who are considered  
15 to be in core housing need. For the vast majority of these  
16 households, their low incomes result in a high ratio --  
17 typically 30 percent or higher -- of housing costs to  
18 income.

19 On the next chart, this demonstrates how actual  
20 housing costs are not the primary costs of affordability  
21 programs. As shown here, when adjusted for inflation, real  
22 average rents in Ontario have been in decline for the past  
23 six years, falling from \$884 per month in 2002 to just \$833  
24 in 2007.

25 And it's very important to note for the purposes of  
26 this consultation that these average monthly housing costs  
27 in most cases include energy costs for electricity and gas.  
28 And as you can see, in real terms, these costs are

1 declining.

2 And so, in improving affordability the solution should  
3 rest with assisting households with their incomes, not with  
4 regulating prices.

5 Next, the purpose for reviewing the best solutions for  
6 housing affordability is to show that even in the context  
7 of energy poverty, the primary issue is large numbers of  
8 households in Ontario with low incomes, not necessarily the  
9 cost of energy. For this reason, energy poverty should not  
10 be addressed on its own, but should be dealt with through  
11 existing programs that are designed to provide income  
12 support and alleviate poverty generally.

13 As noted in the consultant's report that was developed  
14 by Concentric for this consultation, programs that are  
15 targeted specifically to energy poverty assistance are  
16 likely to discourage efficient use of energy by reducing  
17 the cost of energy relative to other items in the budget of  
18 low-income customers. We support measures that support  
19 conservation of energy usage, and for this reason we oppose  
20 special rates for low-income users that would create an  
21 uneconomic low price for a small class of customers.

22 As noted in the consultant's report, a low-income  
23 energy program could prove redundant, as there are already  
24 a wide variety of social assistance programs in Ontario  
25 designed to supplement the income of low-income households.  
26 In many cases these existing programs are calculated in a  
27 way that incorporates energy costs into the level of  
28 assistance payments. This is certainly the case in

1 Ontario, where a new program supported through the OEB  
2 would simply duplicate and overlap the Province's existing  
3 social welfare program.

4 Other problems with funding the program through the  
5 rate base is that it may not reflect the ability to pay,  
6 may be poorly targeted and might not give adequate  
7 consideration to wealth or existing levels of non-cash  
8 assistance already received.

9 An additional problem is that the vast majority of  
10 low-income households in Ontario who rent have their  
11 utility costs included in their monthly rent. They don't  
12 pay the gas or electric bill directly; the owner of the  
13 property, the landlord or the property manager do. For  
14 most tenants, their individual energy consumption is an  
15 unknown quantity. We believe sub-metering in rental  
16 housing may be a solution to this problem.

17 I'll talk about sub-metering in the next slide.

18 Sub-metering in rental housing is a way -- one way to  
19 lower energy costs for low-income customers. We think the  
20 OEB should support this as a way of tracking and measuring  
21 energy usage, helping tenant households know their actual  
22 costs, encouraging efficient use of electricity, and  
23 allowing customers to control their own consumption and  
24 reduce their energy costs.

25 We believe the OEB's core mandate, in addition to  
26 setting prices, is to regulate energy markets but not to  
27 implement social policy. A low-income energy program  
28 implemented by the OEB in isolation of existing social



1 assistance programs has the potential for discouraging  
2 conservation, poorly targeting or duplicating assistance,  
3 and inappropriately cross-subsidizing one group of  
4 customers by the general body of ratepayers.

5       There are some measures that are worthy of further  
6 consideration. These include Emergency Energy funds, like  
7 a rent bank, which we have in Ontario. This helps eligible  
8 households when they actually require assistance, to ensure  
9 continuation of service.

10       Startup and maintenance benefits, which help provide  
11 relief for security deposits, connection fees and other  
12 large one-time charges are also very helpful.

13       I'll just conclude. Low-income energy programs should  
14 not be funded through the general rate base. The focus  
15 should instead be on strengthening and working with the  
16 Ontario Government to improve the design of Ontario's  
17 existing social welfare program and alleviating poverty in  
18 general. Some programs like emergency funds and startup  
19 benefits and conservation programs will also be an  
20 effective way in assisting low-income customers. And  
21 lastly, we think the OEB should support the implementation  
22 of submetering in rental housing as a way to measure  
23 household consumption and allow low-income customers to  
24 reduce their costs through more efficient use of energy.

25       Thank you.

26       MS. HARE: Thank you. Our next speaker is Michael  
27 Janigan, representing Vulnerable Energy Consumers  
28 Coalition.

1           **PRESENTATION BY MR. JANIGAN:**

2           MR. JANIGAN: Thank you very much, and thank you for  
3 asking us to present today.

4           I am with the Public Interest Advocacy Centre in  
5 Ottawa, which over the last 30 years has been engaged in  
6 attempting to provide a voice for ordinary and vulnerable  
7 consumers in matters concerning the delivery of important  
8 public services, particularly in the private sector.

9           In the OEB, we arrange for the representation of the  
10 Vulnerable Energy Consumers Coalition, which is composed of  
11 the Ontario Council of Senior Citizens Organizations and  
12 the Metro Tenants Association.

13          We have been engaged in this issue, in my memory,  
14 since the early '90s, with an abortive attempt to deal with  
15 issues associated with security deposits and late payments  
16 back in the early '90s, and have been monitoring and  
17 continuing our work in relation to vulnerable consumers  
18 since that time.

19          The traditional approach of organizations or groups  
20 representing the interests of utility ratepayers, with  
21 particular challenges in accessing and maintaining service  
22 at rates they can afford, was to attempt to keep rate  
23 increases within a range that would not induce rate shock,  
24 and particular hardship for that class of ratepayer.

25          In other words, our efforts and efforts of similar  
26 groups were associated with avoiding loss of connectedness  
27 with the network, or potential hardship on the part of the  
28 customer in maintaining connectedness.

1           There were additional concerns associated with  
2   disconnections for non-payment, security deposits, bad debt  
3   charges, and the like, primarily because they affected  
4   connectedness.

5           Two principal developments have threatened complacency  
6   with that approach. The first involves the restructuring  
7   of the energy industries in Ontario and across North  
8   America. In Ontario it has brought about a breakup of the  
9   Ontario Hydro empire and a plethora of new agencies and  
10   players eager to play their roles in production,  
11   transmission, distribution, and conservation of electricity  
12   and energy in general.

13          Whether the efficiencies gained by the transformation  
14   and the operation of the restructured system will result in  
15   lower rates over the long-term is a moot point. The short-  
16   term result certainly has been to put upward pressure on  
17   rates.

18          Coupled and intertwined with these developments,  
19   former surpluses of electricity dwindled, and it became  
20   clear that energy demands would not be met without  
21   substantial measures to reduce the demand and increase  
22   supply.

23          Tamping down demand has been traditionally  
24   accomplished by increasing rates. However, the desirable  
25   effect in the abstract has potentially damaging  
26   consequences for many vulnerable consumers.

27          There is also little to suggest that the economy as a  
28   whole can provide the wherewithal to shield vulnerable

1 ratepayers from difficulties associated with upwardly  
2 moving rates.

3 The most recent census data has shown that the median  
4 income for Canadians has not increased between 1980 and  
5 2005, and the situation has deteriorated for lower-income  
6 Canadians by some 20 percent.

7 There is no rising tide to enable all boats to move up  
8 to deal with rising energy costs. There is nothing to  
9 suggest that Canadians in the lower quintile of incomes  
10 have been provided with the means to buffer them from  
11 rising costs, apart from those that are set out in the  
12 Board Concentric Report.

13 The double whammy leaves us to consider whether  
14 connectedness is threatened for any group of ratepayers  
15 and/or the measures that must be taken to maintain  
16 connectedness are hardship-inducing.

17 In VECC's view, this is a crucial element of utility  
18 industry programs to address, these strained customer  
19 circumstances, largely driven by financial considerations  
20 or other characteristics of vulnerability.

21 In utility economics particularly, but not exclusively  
22 to telecommunications, there is value to making sure that  
23 everyone can connect with the network, and there are system  
24 benefits to ensuring connectivity and connectedness. This  
25 goes beyond simply saving collection of bad-debt costs, and  
26 extends to the idea of increasing value for the network in  
27 general by having everyone connected.

28 But clearly, management of the delivery of energy

1 services in Ontario involves more than simply matching  
2 costs and benefits. The Board, in the past, has approached  
3 issues such as system-gas expansion with more than a bean  
4 counter's perspective on allocation of costs and benefits.

5 As well, its overall observance of the necessity to  
6 protect consumers, in terms of the statutory considerations  
7 of price, quality, and service, has led to the invocation  
8 of rate-setting approaches that avoid rate shock,  
9 notwithstanding the potential prudence of the utility  
10 expenditures driving the so-called shocking increases.

11 Nonetheless, while its effects being had are a  
12 redistributing effect, assistance can be primarily  
13 characterized as being directed to the problem of  
14 connectedness, or avoiding the hardship that comes to a  
15 household attempting to avoid being cut off from the  
16 network.

17 It appears to us that connectedness should be the  
18 objective for low-income and vulnerable consumer programs,  
19 and that programs must be designed to protect such  
20 connectedness without necessitating the hardship.

21 As such, it's important to note that there will be  
22 classes of energy consumers which may not fit neatly into a  
23 low-income category, particularly if the tests for program  
24 receipt are based on receipt of social assistance or  
25 social-assistance-like benefits.

26 For example, senior citizens may find that their  
27 retirement income does not keep pace with increases in  
28 energy costs. They may fall outside a traditional low-

1 income profile but be experiencing a potential loss of  
2 connectedness. The case of those seniors with home equity  
3 but small annual incomes is noted in a number of  
4 submissions and reports in this proceeding.

5 While an energy supplier can't be expected to insulate  
6 ratepayers from all the potential social costs of aging,  
7 there may well be a need for programs providing temporary  
8 or long-term relief to enable the senior to remain housed  
9 and living in dignity.

10 This may include more than simply rate relief.  
11 Reasonable payment plans, carry-forward of arrears,  
12 cancellation of late payment charges, and waiver of  
13 reconnection -- reconnection charges are some of the  
14 potential means to address the arrival of the possibility  
15 of disconnectedness to households where it previously was  
16 not a problem.

17 Obviously, proactive and expanded conservation  
18 programs to reduce energy bills would be part of a solution  
19 for this constituency and for customer populations that may  
20 lack the language or technical skills to be able to reduce  
21 their risk of disconnectedness. We expect that this will  
22 be dealt with in later panels.

23 As well, we believe that the vexing problem of split  
24 incentives or delivery of conservation programs to tenants  
25 is part of the solution to this issue.

26 VECC believes that an independent ongoing study of  
27 consumer issues associated with disconnectedness, the  
28 hardships potentially caused, and the potential success of

1 such options in Ontario should be undertaken. The study  
2 could help model the design and delivery for those that may  
3 not fit into traditional customer definitions.

4 As well, the experience with customer protection  
5 programs in most industries is that reliance on business  
6 goodwill and good intentions is not enough. There should  
7 be transparency associated with what is available and that  
8 is independent of the choice and approach of the individual  
9 CSR, consumer service representative.

10 We would note that we have tried to frame the issue of  
11 low-income programs as much as possible in the language of  
12 disconnectedness to the network and prevention of hardship  
13 associated with the same.

14 While the programs discussed may have a government-  
15 like aspect of improving societal good and raising the  
16 standard of living for the poor, they are linked to the  
17 concept of keeping customers on the network and providing  
18 service to as great a number of customers as possible.

19 While undoubtedly the delivery of programs of similar  
20 intent through the tax-filing system or a government  
21 program system may be neater, it is difficult to envision  
22 all such programs, and all such necessary programs, being  
23 as accessible for the purpose of addressing the problems of  
24 disconnectedness.

25 And while it may be reasonable to expect the  
26 government to kick in, it is not reasonable to expect that  
27 nothing can be done without the government.

28 This approach has similar -- has substantial

1 similarities with a number of different issues that have  
2 been faced by utility regulators in the past. In  
3 particular, the CRTC has approached this issue in relation  
4 to service to telephone customers in rural and remote  
5 regions, where the cost-of-service would otherwise be too  
6 high.

7 The high-cost serving-area fund established by the  
8 CRTC to ensure that rural and remote regions were connected  
9 and the service was universal -- universally available and  
10 affordable -- is one such example.

11 The Commission considered that this was a system-wide  
12 obligation, and imposed a contribution task on revenues of  
13 all players -- ILEX, CLAX, and mobile operators, of just  
14 over 1 percent. While some industry stakeholders who do  
15 not operate services in this region are unhappy, it is  
16 accepted as the price of network connectedness, and  
17 generally accepted as a system obligation.

18 Of course, there are other benefits in terms of  
19 economic development, alleviation of poverty and regional  
20 disparity, et cetera, but the approach has been geared to  
21 fulfilling the objectives of connectedness in the network  
22 and the Telecommunications Act in general.

23 VECC thinks it's a mistake to focus simply on the  
24 social welfare aspects of the necessary programs and  
25 possibly cultivate the idea that energy rates are simply a  
26 possible well to be tapped for poverty alleviation or  
27 similar redistributive effects.

28 If an objective of regulation is to align private



1 interests with public interests, we are convinced that  
2 connectedness issues are ready to be addressed and are  
3 capable of being addressed within the mandate of the OEB.  
4 VECC believes that these programs, when well designed and  
5 implemented, enhance the effectiveness of the network and  
6 are responsible within the mandate of the OEB.

7 Thank you.

8 MS. HARE: Thank you. Our last presentation before  
9 the break will be by Union Gas. Mark Kitchen, director,  
10 Regulatory Affairs, presenting.

11 MR. KITCHEN: Thank you, Marika.

12 **PRESENTATION BY MR. KITCHEN:**

13 My name is Mark Kitchen. I'm director of Regulatory  
14 Affairs for Union Gas.

15 Low-income consumers in Ontario are faced with  
16 increased household expenses in all areas; food,  
17 accommodation --

18 MS. HARE: Excuse me, Mark, I think we're not hearing  
19 you. Is the mic on?

20 MR. KITCHEN: I liked the old mics that you could pull  
21 into your face.

22 I'll start again. Low-income consumers in Ontario are  
23 facing increased household expenses in all areas. Food,  
24 accommodation, transportation, as well as utility bills.

25 Rising energy costs are only one of the issues facing  
26 low-income consumers. Low-income issues, however, are  
27 complex and require an integrated approach from government  
28 and social service agencies. Government has an important

1 role to play in income support and stabilization to help  
2 low-income consumers deal with increasing day-to-day  
3 expenses.

4 Social service agencies are experts in knowing how to  
5 identify and serve their low-income clients.

6 Our expertise is in the safe and reliable delivery of  
7 natural gas to all our customers, and that is why Union's  
8 community programs are delivered in partnership with social  
9 service agencies. This allows Union to do what we do best,  
10 and social service agencies to do what they do best.

11 From Union's perspective, one of the most powerful  
12 tools when it comes to meeting the needs of low-income  
13 consumers is conservation. Conservation results in long-  
14 term sustainable reductions in the consumer's energy bill,  
15 and according to the Board should encourage utilities to  
16 develop and implement conservation programs which provide  
17 long-term benefits to low-income consumers.

18 At the same time, utilities must continue to invest in  
19 their communities through such programs as Winter Warmth.

20 The Board should not require utilities to develop and  
21 implement measures to assist low-income consumers with  
22 direct financial assistance. The development and  
23 implementation of income support programs are rightly the  
24 responsibility of government and are best delivered through  
25 income support and stabilization programs created by  
26 government. This is their role and their expertise.

27 These are not the expertise of the utilities, or for  
28 that matter, the Board.

1       Our expertise, again, lies in the safe and reliable  
2 delivery of natural gas services.

3       The delivery of income support programs must be  
4 universal. Neither the Board nor utilities can ensure such  
5 universality. The Board only regulates natural gas and  
6 electricity, and therefore can have no impact on consumers  
7 that use other forms of energy, such as propane or oil.  
8 This also means that the Board can only impact those low-  
9 income consumers that receive a utility bill.

10       There is no way for the Board to reach out to low-  
11 income consumers who pay their utilities through their  
12 rent.

13       And finally, utilities do not have the infrastructure  
14 that will allow them to administer low-income programs, and  
15 creating such an infrastructure would be costly and  
16 duplicative.

17       Union also believe the Board should continue its long-  
18 standing practice of approving rates established on  
19 principles of rate design; that is, class rate-making where  
20 customers of similar load and load profile are treated  
21 similarly and pay similar rates for similar service. Rates  
22 should not be based on income or other demographic  
23 threshold such as age or physical ability. Rates designed  
24 and administered on this basis require one ratepayer group  
25 to subsidize another. It would amount to wealth  
26 redistribution, and wealth redistribution is best left to  
27 the tax system, and not utility rate design.

28       From time to time, of course, there have been requests

1 for special rates that have been brought to the Board, and  
2 the Board's consistently found that such special rates are  
3 not in the public interest. A request for special status  
4 from low-income consumers is no different than any request  
5 for special treatment that has been received in the past.

6 And if we allow special rates for low-income  
7 consumers, how do we then not allow them for schools,  
8 public institutions or other charitable organizations?

9 And finally a comment on the natural gas bill itself.  
10 A residential customer's bill is made up of two components.  
11 One component recovers the cost of delivering the gas to  
12 the customer. For Union, this amounts to approximately 25  
13 percent of the residential bill. The remaining 75 percent  
14 recovers the cost of the commodity. This is the portion of  
15 the bill that has been driving the increased costs to low-  
16 income consumers.

17 It does not make sense to try to solve an issue caused  
18 by commodity price increases by adjusting the smaller, more  
19 stable delivery portion of the bill for some customers.  
20 This is why the energy issues facing low-income consumers  
21 are best addressed through conservation.

22 In summary, the development of delivery and social  
23 programs is the responsibility and expertise of social  
24 service agencies and the government. Union's expertise  
25 lies in the distribution, transmission, and storage of  
26 natural gas. The Board should not require utilities to  
27 develop or implement low-income support programs, and rate  
28 design should continue to be based on established

1 principles. The Board should continue to encourage the  
2 development of conservation programs in a sustainable way  
3 to reduce the energy bills of low-income consumers.

4 Thank you.

5 MS. HARE: We're going to take our morning break now,  
6 and return at, let's make it 10:45. We'll hear the last  
7 three presenters. And then we'll open it up for discussion  
8 and questions. 10:45, please.

9 --- Recess taken at 10:29 a.m.

10 --- On resuming at 10:51 a.m.

11 MS. HARE: Okay. Our next presenter is Joan Huzar,  
12 representing the Consumers Council of Canada.

13 **PRESENTATION BY MS. HUZAR:**

14 MS. HUZAR: Thank you very much.

15 My name is Joan Huzar. I'm a volunteer. I'm a past  
16 president of the Consumers Council of Canada and currently  
17 chair its energy committee.

18 Just a word quickly about the Consumers Council of  
19 Canada. We're an independent, not-for-profit, consumer  
20 advocacy organization. We work with consumers, with  
21 corporations and government, to promote consumers' rights  
22 and responsibility for a more effective marketplace. We  
23 regularly appear before the OEB presenting the residential  
24 consumer position, and I very much appreciate the  
25 opportunity to bring the perspective of that ordinary  
26 residential consumer to this consultation.

27 As an overview, and it's been mentioned before, it's  
28 not -- we know that rising energy prices are a concern for

1 all residential consumers in Ontario, and we know that  
2 they're a particular challenge for low-income consumers.

3 The Council strongly supports the continuation and the  
4 potential expansion of current programs that help low-  
5 income consumers. This includes demand-side management and  
6 energy efficiency programs and programs provided by social  
7 agencies across the province. Our concern is with the  
8 Board venturing into new areas.

9 We believe that any new social welfare programs should  
10 be mandated by the Provincial and Federal Governments.  
11 They are the ones who are accountable to their respective  
12 legislatures. Social welfare is not within the mandate of  
13 the Ontario Energy Board. This is the job of government.

14 The Council believes that new programs should be  
15 funded through general revenue and delivered by existing  
16 social agencies. These programs are rightly the  
17 responsibility of the taxpayer. They should be coordinated  
18 with existing programs.

19 The Council supports the need for broad-based programs  
20 to assist consumers in Ontario with their energy bill  
21 regardless of the energy source: Natural gas, electricity,  
22 propane, heating oil, whatever. And we're certainly happy  
23 to participate in the development of those programs.

24 We don't support an OEB-mandated program that would  
25 provide rate relief to low-income consumers funded by other  
26 energy consumers and delivered by the 80 or more utilities  
27 in the province.

28 Again, to emphasize, the Council fully supports the

1 effective programs that help low-income Ontarians deal with  
2 high energy prices, but we don't believe that having them  
3 mandated by the OEB is the way to do it. This is the broad  
4 responsibility of government, through its social agencies.

5 So why not the Ontario Energy Board? There are  
6 already social agencies in place that have the experience  
7 with determining eligibility and delivering broad-based  
8 social assistance programs in Ontario. There are also  
9 agencies that deliver programs aimed specifically at  
10 addressing the needs of low-income energy consumers.

11 Given that there are more than 80 utilities regulated  
12 by the Board, the cost of each utility implementing and  
13 administering the programs on an ongoing basis could be  
14 significant. These additional costs will ultimately be  
15 borne by other consumers.

16 The administrative costs of a social welfare program  
17 should be borne by the residents of the province, not by  
18 the gas and utility ratepayers. This is a taxpayer  
19 responsibility.

20 The Board only regulates two forms of energy, gas and  
21 electricity. An OEB-mandated program would not provide  
22 relief to customers that rely on other energy sources like  
23 propane and heating oil. This seems to be fundamentally  
24 unfair.

25 Funding a rate-relief program through rates may impose  
26 a significant burden on those customers that do not qualify  
27 in jurisdictions where many customers would qualify. And  
28 let me just explain.

1           There is this inherent unfairness and an element of  
2 chance that goes against the principle of equality.  
3 Utility A has lots of low-income folks who need help and  
4 not as many customers to fund this, while perhaps next  
5 door, utility B may have very few people in need, and thus  
6 the charge to the majority who do not need assistance are  
7 lower, an accident of geography that is not fair to all  
8 consumers.

9           What we'd also like to address, in the broader issue  
10 of whether or not the Board should be doing this at all,  
11 are some implementation issues. We've listed a few here.  
12 There are lots more, I'm sure, if we bent our minds to it.

13           First of all, how do you define "low-income", and how  
14 do you monitor it? Is it based on income or wealth? Is  
15 "low-income" to be defined the same across the province for  
16 all utilities?

17           Secondly, how would the utilities determine  
18 eligibility in the light of privacy concerns? And this is  
19 a very big concern for the Consumers Council. Privacy  
20 rights should be foremost in part of the design of anything  
21 that is done.

22           How would they monitor qualifications? Is low-income  
23 restricted to residential consumers? Maybe it should go to  
24 all utility consumers.

25           Is the low-income rate relief to be funded only by the  
26 residential consumers or by all consumers of the utility?

27           How do you ensure that the rate relief gets to the  
28 low-income renters? How do you determine an appropriate



1 level of subsidy? Is it reassessed if energy prices rise  
2 or fall? That might happen.

3 What are the incremental costs to each utility to  
4 launch and deliver such a program? How are these costs  
5 allocated among customer rate classes? How do you ensure  
6 that there's no double-counting or program overlap, in  
7 effect providing relief to consumers that are being  
8 assisted through other programs? Finally, should such a  
9 rate program include all elements of the bill, including  
10 the commodity costs?

11 We know -- sorry. The Council -- how does the Board  
12 mandate -- sorry, how does the Board balance the needs of  
13 low-income energy consumers and its statutory mandate to  
14 set just and reasonable rates? What are all of the current  
15 programs in place, and to what extent are they working to  
16 assist low-income consumers? Broad-based social assistance  
17 programs and programs related to energy only? How many  
18 consumers in Ontario would qualify? What would be the  
19 total cost of such a program?

20 If low-income residential consumers are granted relief  
21 through a rate assistance program, why not provide  
22 assistance to similar charitable organizations, hospitals,  
23 schools, et cetera? And others have referred to that.

24 How do you fund a program in a community where  
25 virtually all the residents would qualify as low-income?  
26 And subsidized rates, which is something that has to be  
27 considered, may lessen the incentive to conserve energy,  
28 and no one is, I think, in support of that.

1           So finally, thank you very much for the opportunity to  
2 bring our presentation to the Board. We absolutely support  
3 programs that help low-income consumers so they don't have  
4 to deal with the heat-or-eat question. We also strongly  
5 support programs that help low-income consumers be more  
6 efficient in their use of energy.

7           But -- and it's a big "but" -- we believe that it's  
8 the duty of government to make this heat-or-eat question a  
9 part of their social assistance programs, and to use the  
10 existing expertise at the local government level to deliver  
11 programs that are effective. It's the taxpayers who should  
12 fund such programs, not the ratepayers.

13          The Council believes that the Board must deal with  
14 this threshold issue, should mandate social assistance  
15 issues, before it spends time, energy, and money discussing  
16 the implementation issues. And we welcome the opinion of  
17 other stakeholders on this question.

18          Thank you very much.

19          MS. HARE: Thank you.

20          Susan Frank, vice-president and chief regulatory  
21 officer from Hydro One, will make the next presentation.

22               **PRESENTATION BY MS. FRANK:**

23          MS. FRANK: Thank you.

24          I am here to speak from our distribution perspective.  
25 We serve 1.2 million customers. 850 of them are  
26 residential customers. And we're the largest distributor  
27 in Ontario. So that's the perspective that I bring.

28          And I would say the comments that I'm going to express

1 would be typical of what you would hear from other  
2 electricity distributors as well.

3 Let's start with a bit of a policy concern. So we've  
4 heard a fair amount today about the plight of low-income  
5 customers, and we very much support that there is concern  
6 for low-income customers with energy prices. And actually,  
7 after I've listened to the presentations this morning, I'm  
8 more convinced that this is a serious issue, an issue that  
9 I think will get more problematic over time, as the economy  
10 doesn't seem to be supporting the low-income in the next  
11 little while. So it's a serious concern.

12 Also, if we turn to the source of the concern, the  
13 energy prices, what we're seeing with energy prices, the  
14 trend is upwards. Nice to think they could go down --

15 MS. HUZAR: Fantasy number.

16 MS. FRANK: Yes. However, not too probable in the  
17 near future. So we really do have a serious issue here,  
18 and we support there's a serious issue.

19 The question, however, is, how do you deal with this  
20 serious issue? What is the best way to have the low-income  
21 customer supported? And you've got to worry about how  
22 efficient and effective would that be. You don't want to  
23 add costs in an already costly environment. You want to  
24 find an efficient and effective way of supporting the low-  
25 income customers.

26 So what are some of the challenges? Well, we've heard  
27 a few things. We've heard discounts from some person this  
28 morning. We've heard special rates. And I think at the

1 end of the day what you would want to have is an equitable  
2 and fair way of treating all the low-income customers,  
3 despite the fact that they're served by one of over 80  
4 electricity providers and several gas providers, as well.

5       So what problem does that cause? Well, there's an  
6 incredible disparity in the electricity side with the rates  
7 that customers pay today. So if you want to have a common  
8 solution, you're going to have to figure out: How do we  
9 deal with this, given the variety of rates and rate  
10 structures that exist today?

11       Not an easy task.

12       The harmonization that we're currently working on, I  
13 think it would be a really simple solution compared to this  
14 one.

15       The other thing we've heard a little bit about is the  
16 treatment across different forms of energy. And we've got  
17 gas and electricity represented here, and you would have to  
18 make sure that if a person was a hundred percent  
19 electrically served with no -- as many of the low-income  
20 parties are -- that their assistance would differ from ones  
21 that have both gas and electricity. That should be a  
22 different assistance. So we're into at least two types of  
23 rates. And then what happens for parties who are in our  
24 territories? We serve a very rural group, and there's a  
25 lot of propane out there. There's a lot of heating oil out  
26 there. And how do you deal with that group? What type of  
27 assistance do they get? So this notion of equitable and  
28 fair will be a major challenge.

1           In the end, given the variety of distribution  
2 companies, I think a prescriptive rule would be necessary.  
3 You couldn't just kind of set a principle and leave it to  
4 the utilities to follow a principle; you would actually  
5 have to be very prescriptive if you wanted equality. And  
6 that's always, I think, harder to do, but, I think,  
7 necessary in this case.

8           We've got a lot of involvement with low-income  
9 customers, and the issues in terms of giving them special  
10 rates is something that we'll talk about under topic 5, but  
11 we're going to deal with how do you identify them? What's  
12 the threshold for qualification? How do you keep privacy -  
13 - privacy is a major concern for us, and the additional  
14 costs that we'd have to incur in order to ensure that we  
15 kept that information private will be something we'll deal  
16 with later.

17          The ongoing monitoring: This isn't do it once and set  
18 a rate and it stays forever. I mean, that would be nice;  
19 however, people's circumstances change, and therefore there  
20 is a fair amount of ongoing costs that we anticipate would  
21 be required.

22          Some of the other considerations: The infrastructure  
23 that was mentioned already with gas is something that Hydro  
24 One also does not have. We do not have an ability to  
25 identify who a low-income customer is. We don't know  
26 today. We do know what customers are having difficulty  
27 paying their bill, and we have ways of dealing with the  
28 inability to pay your bill.

1           We're going talk about those items more under topic 2  
2 and topic 5, and we're going to address the special payment  
3 arrangements that we make for people who have trouble.

4           We talk with our customers. We know when there's a  
5 problem. We encourage them to contact us and not risk a  
6 connectivity issue, and then we make the arrangements that  
7 are necessary.

8           We do a lot of work with social service agencies, and  
9 later on we'll talk about how many social service agencies.  
10 Given the wide, expansive area we serve, there are many,  
11 many social service agencies that we work with, to make  
12 sure that those customers continue to have their  
13 electricity.

14          The other thing we'd encourage you to be careful with  
15 when you go through this is let's make sure we don't have  
16 unforeseen consequences, consequences that are actually  
17 counter to what we're trying to achieve. So there's a  
18 subsidy that goes in for gas and electricity, and the  
19 answer, therefore, since there is none for oil, wood or  
20 propane, is that you move on to electricity since it is the  
21 simplest thing to do from a technical -- you put in the  
22 baseboard heaters. That would be an unforeseen consequence  
23 of something that, really, we want to make sure doesn't  
24 happen. That's not a good move; don't move to electricity,  
25 says an electricity distributor.

26          We do support conservation and demand management. And  
27 I know there's another topic on that as well, and there are  
28 things that we're doing. And we have looked at focussed

1 low-income programs, and I certainly support that.

2 I think that this notion of putting in a new  
3 administration within your distributors to overlap what's  
4 already out there, there is already an infrastructure that  
5 provides assistance. It's something that's inefficient.  
6 So we struggle with how do you do it, and maybe there is a  
7 way, if it's felt that it's necessary to have special rates  
8 for electricity distributors, to actually have the  
9 administration centralized -- maybe that's a possibility --  
10 and all the distributor does is charges the appropriate  
11 lower rate, but does none of the administration, doesn't do  
12 identification, doesn't do any of the monitoring.

13 Our objective here is let's not make this a costly  
14 exercise that doesn't get the money in the hands of the  
15 people who need the money. So that's my last point on  
16 this. It's to improve the affordability of the energy  
17 service and to reduce the dependence of low-income  
18 customers.

19 So, in summary, the issue here is energy  
20 affordability, and we've all agreed it's a growing and more  
21 difficult problem to deal with. Certainly, I think  
22 distributors could have a role to play here. I'm not  
23 certain it's your best choice. But assistance is needed,  
24 and certainly whatever we can do to help we will do.

25 Our big thing is, let's think about it, let's be  
26 careful about it, let's make sure that whatever we do is  
27 fair, is equitable, treats all parties in the same way,  
28 does not have one community who happens to have a large

1 number of low-income customers feeling a hardship. We  
2 don't want people moving out of areas into -- you know,  
3 from the areas that need the subsidy moving to areas that  
4 don't. That's, once again, an unforeseen consequence, and  
5 it would be inappropriate.

6 So our notion is, make it efficient, make it  
7 effective, and make it fair. And we're there to support  
8 you. Thank you.

9 MS. HARE: Thank you. Our last speaker is Dana Silk,  
10 general manager of EnviroCentre.

11 DR. SILK: Thank you.

12 **PRESENTATION BY DR. SILK:**

13 Good morning. Mr. Chair, members of the Board --  
14 okay. Mr. Chair, members of the Board, EnviroCentre is one  
15 of the leading non-profit organizations in Ontario that  
16 helps to deliver energy efficiency programs to low-income  
17 households. Since 1999 we have invested over a million  
18 dollars of public funds and a few private funds into  
19 energy-efficiency programs that have benefited over 1,500  
20 low-income households.

21 You'll see some examples here. Actually, that number  
22 up top, we've now, I think, gone over the 500 mark in terms  
23 of low-income households, the weatherization program,  
24 thanks to a program we're currently delivering from  
25 Enbridge. We've helped over 500 Ontario Works households.

26 The numbers at the end are the average investment per  
27 home. Five hundred other sort of anonymous, miscellaneous  
28 low-income households. We're currently helping over 250



1 social housing units. We're investing, again, public funds  
2 in upgrading those units, about a thousand a piece. We  
3 also deliver the federal EnerGuide for houses, and  
4 EcoENERGY programs. We've done over 9,000 to date. And we  
5 have been piloting, thanks to Hydro Ottawa, electric  
6 thermal storage units, which when time-of-use rates come  
7 into effective in Ontario, will become very significant.

8 So as you see, we're very proud of generating actual  
9 results. In this low-income household, we invested \$2,000  
10 of highly cost-effective upgrades. You can see from the  
11 actual on-line bill, this isn't a projected result. These  
12 are actual results. This household saved over 7,000  
13 kilowatt-hours a year, which translates into savings about  
14 \$800, and actually \$1,000 over the previous winter.  
15 And, incidentally, those winters were warmer.

16 So we are generating actual results for low-income  
17 households. EnviroCentre was one of only two non-profits  
18 in Canada to be invited to the National Low-income Energy  
19 Consortium to make a presentation at the National Energy  
20 and Utility Conference in Denver, Colorado, just this  
21 summer.

22 And we've also done a fair amount of work in the small  
23 business and commercial areas, including places of worship.  
24 That was the introduction.

25 Topic one:

26 "Should the Board implement policies, programs,  
27 and other measures to assist low-income  
28 consumers?"

1           Yes. The Ontario Energy Board should implement these  
2 policies, because they are part of your mandate to act in  
3 the public interest, and that's why you should do it.

4           The review of other energy assistance programs in  
5 other jurisdictions prepared for the Board shows that many  
6 jurisdictions in other parts of North America and Europe  
7 have been investing in such measures for many years, if not  
8 decades. Canada and Ontario are far behind when it comes  
9 to low-energy energy efficiency -- low-income energy  
10 efficiency programs.

11          We do not believe that this is the forum to discuss  
12 what other levels of government or charitable organizations  
13 can do, but based on a comprehensive analysis of this  
14 subject matter in the Ontario context, what the Board  
15 should do as part of its mandate to regulate the province's  
16 electricity and natural gas sectors, again in the public  
17 interest. You'll see I'm going to keep coming back to "in  
18 the public interest".

19          To be clearer, this is not the forum to discuss  
20 threshold issues or to engage in other tactics that might  
21 deny and delay or distract stakeholders from the real  
22 issues. Governments, utilities, and regulators in many  
23 countries around the world already provide these programs  
24 for low-income consumers. This consultation should inform  
25 the Board on the best way for it to catch up with more  
26 progressive regulators, not try to persuade it to shirk its  
27 very serious responsibilities.

28          Through its poverty reduction plan, the Government of

1 Ontario has made it quite clear about its commitment to  
2 low-income energy efficiency programs, and so that, I  
3 think, is a clear direction to the Board.

4 Unfortunately, the Federal Government has withdrawn  
5 from all of these programs. But that simply reinforces the  
6 need for Ontario and the Board to pay more attention,  
7 because with increasing energy prices and increasing  
8 concerns about greenhouse gas emissions, this issue will  
9 not go away.

10 Again, none of these programs you'll see unless they  
11 are based on sound regulatory practices. There is no doubt  
12 about that. That is why we believe the Board should  
13 implement these policies, not simply because it is the  
14 right thing to do, but because it would help to compensate  
15 for previous Board decisions that have discriminated  
16 against low-income consumers.

17 I cite two examples. The decision to impose the --  
18 what's it called -- the debt reduction charge to recuperate  
19 about \$20 billion of the stranded or residual debt. And  
20 the other decision is the one that allows energy retailers  
21 to prey on vulnerable, low-income consumers.

22 Thank you.

23 MS. HARE: Thank you. We'll now open it up to  
24 questions, discussion. Maybe while you're thinking of your  
25 questions, I'll ask a question. And panellists, feel free  
26 to ask other panellists questions as well.

27 I'll just pose a general question. There was quite a  
28 bit of discussion about the role of utilities, the role of

1 social agencies, and the role of government, and the  
2 suggestion that it's not the role of utilities to be  
3 assisting low-income consumers, that that's best left to  
4 government.

5 Yet we know, and we've heard from Union Gas and Hydro  
6 One, and we know from the agenda coming up, that there are  
7 a number of things that you're already doing to assist low-  
8 income consumers.

9 So my question, really, is -- and it comes from  
10 Michael's comment from VECC, saying it should not be up to  
11 the goodwill of the business or the particular utility, but  
12 that there should be a transparent program, I suppose, so  
13 that all consumers can take advantage of programs that some  
14 of the other utilities are putting in place.

15 So would anybody like to comment on that?

16 MS. FRANK: Marika, I'd like to say that the notion  
17 that we have low-income programs is not really the way I'd  
18 characterize them. They're not about low-income. We don't  
19 know what the people's income is. So our programs will be  
20 oriented to people who have demonstrated they're having a  
21 difficulty paying their bills.

22 And that might be for a whole variety of reasons  
23 besides being low-income. And the party may even just  
24 contact us and say: I'm having difficulty paying my bill,  
25 even before we see non-payment, in which case we go into  
26 our options.

27 Simple things like having equal monthly billing will  
28 help somebody, because they don't have to pay for the large

1 increases in the wintertime, as they would in the summer.

2 So I don't think we have any low-income programs, but  
3 we do have programs that help people who have inability to  
4 pay. So I just wanted to distinguish between those two.

5 MS. HARE: I think that's fair, but I think the  
6 question still stands then: Should that be mandatory for  
7 distributors to offer those programs to customers that have  
8 difficulty in paying their bill?

9 MS. FRANK: Well, I think that the terms -- everybody  
10 needs to have conditions of service, right? All utilities  
11 have to have them. And the conditions of service are  
12 approved. And the conditions of service would cover these  
13 items.

14 So if you're saying: Let us look more carefully at  
15 the conditions of service and the circumstances under which  
16 there would be disconnects -- which certainly I appreciate  
17 is a very serious concern, yes -- I mean, that's certainly  
18 something -- but there's already a mechanism then. There's  
19 no new mechanism required. It's just: Look at the  
20 conditions of service and look for certain items, make sure  
21 it's there. All customers get those. And I'd appreciate,  
22 if there's a communications problem, we can work on that as  
23 well.

24 MS. HARE: Theresa?

25 MS. McCLENAGHAN: In terms of the issue about  
26 transparency, LIEN would certainly support Michael's  
27 presentation on that point of view. And this discussion  
28 we've just had about customers in difficulty to pay really

1 illustrates the problem of equity, in that our expert,  
2 Roger Colton, has one paper showing that when you survey  
3 customers in terms of how they prioritize their bill  
4 payments, they put utility bill payments way up on the list  
5 of priorities, and other things can fall by the wayside.

6 So you might not have any indication from the  
7 utility's perspective, just from a payment record  
8 perspective, that that customer and that family is in very  
9 serious difficulty and making very tough decisions in order  
10 to maintain that connection.

11 And it's an equity problem. They should have access  
12 to the problems -- to the programs or the assistance that's  
13 available, and shouldn't be in a position where just  
14 because they're making such heroic efforts to keep the bill  
15 paid, they aren't made aware of those programs, they don't  
16 know about them. It's much better to focus on  
17 affordability through a variety of mechanisms that we'll  
18 discuss this week, rather than saying it's just a, you  
19 know, about-to-be-disconnected problem.

20 That's one piece of it, but it's just a small piece,  
21 and we'd like a system where that becomes the last-resort  
22 kind of situation for everybody concerned, including the  
23 consumer, to be looking at, what are the options to  
24 disconnection.

25 DR. SILK: Dana Silk from EnviroCentre.

26 I'd just like to clarify that Hydro One Networks  
27 certainly has had and has tried to continue to have  
28 programs to help low-income households with electric heat.

1 I say that because we delivered one last year. We helped  
2 over a hundred Hydro One Networks customers with electric  
3 heat in a very cost-effective manner, and Hydro One did try  
4 to get some funding from the OPA this year to continue that  
5 program, but the OPA said: Ah, come back to us a little  
6 later.

7 So I think it is clear that some LDCs, the more  
8 progressive LDCs -- and certainly Susan works for one of  
9 the more progressive LDCs -- are investing in low-income  
10 energy efficiency programs because they recognize it's the  
11 right thing to do and it's part of your mandate, and I  
12 suspect that they would like a little more direction to  
13 make sure that these programs aren't as ad hoc and as sort  
14 of start-and-stop as, unfortunately, they had been in  
15 Ontario.

16 MS. ALDRED: I had a question. I was wondering,  
17 Theresa, whether you could expand on a statement that you  
18 made that you thought that the Board was a certain  
19 inflexible source of funding, more so than the government?  
20 What were you meaning by that?

21 MS. McCLENAGHAN: Meaning that if the Board gives  
22 direction, prescriptive direction, to LDCs for, for  
23 instance, a discount program or some other type of  
24 accommodation of low-income issues, that that's something  
25 that's transparent. It's -- the timeframe for which that's  
26 available is predictable.

27 We'll get later in the topics into the kinds of issues  
28 that arise, in terms of unexpected rate shocks or other

1 issues that government may be less able to respond to. So  
2 it's those kinds of issues that are behind that comment.

3 MS. ALDRED: Thanks.

4 MS. CAZALET: Just to follow up on that, you may have  
5 just answered my question, but I also want to hear from  
6 everyone else.

7 Why do you think the Board is the most appropriate  
8 agency, as opposed to the rest of government, given that,  
9 for example, energy costs may already be factored into  
10 social assistance payments that consumers are receiving?  
11 I'm interested in hearing from everyone who advocated for  
12 the Board involvement.

13 MS. McCLENAGHAN: Can I start with that? First of  
14 all, it's not just social assistance recipients we're  
15 talking about. That's one issue that I think we've  
16 commonly heard here, is that there are people in all kinds  
17 of low-income circumstances that are impacted.

18 And we at LIEN have been very concerned to make sure  
19 that whatever we come up with is available to people in a  
20 variety of circumstances in a very equitable way across the  
21 province. So that's one issue.

22 The second issue is very much to echo what Michael and  
23 Dana and somebody else said about the jurisdiction of this  
24 Board.

25 We absolutely will have conversations with government,  
26 you know, in terms of the poverty strategy, the housing  
27 strategy, et cetera, about an appropriate and adequate, you  
28 know, level of income for consumers. But the issue here



1 is: What decisions does the Board make that affect  
2 affordability? And as the week goes on, we've got all  
3 kinds of situations where it might have not been something  
4 people thought about, that decisions are affecting  
5 affordability in what's considered kind of normal rate-  
6 making. For instance, we're going to talk about that in  
7 the rates topic.

8 So it's one of those issues that is part of the  
9 Board's jurisdiction to set just and reasonable rates, and  
10 affordability is a fair and appropriate criteria to  
11 consider, just as Dana made the point about the debt  
12 reduction charge. Is that falling disproportionately on  
13 low-income consumers?

14 So there are a whole host of places in the system  
15 where we have to ask that question about what's just and  
16 reasonable and what's equitable.

17 MR. GAGE: As a follow-up to my colleague's comments,  
18 I can tell you out of my housing portfolio, only 16 percent  
19 of that portfolio are on ODSP, Ontario disabilities  
20 pension, or Ontario Works; so only 16 percent. The rest of  
21 that -- those that we provide rent-geared income -- are  
22 working poor. You have two individuals, two adults in that  
23 family, or one adult in that family working but are finding  
24 it coming down to decisions as to what debt to pay. You're  
25 finding that, unfortunately, the utility company, they know  
26 they have to have that utility. Rents are being  
27 compromised because of it. So it becomes a real issue of  
28 survival for that broad band of individuals that we often

1 refer to as the working poor. I'd just like to keep that  
2 just to follow up in support of what my colleague was  
3 saying.

4 DR. SILK: I would just respond by saying that the  
5 Board should be doing this because that's the Board's job,  
6 to set rates, and my understanding is that is consultation  
7 on rates and how they affect low-income households and  
8 other consumers. And we're not really talking about social  
9 welfare here. This is a consultation on just and  
10 reasonable rates that are in the public interest. And  
11 that's clearly the Board's mandate.

12 MS. HARE: Other questions?

13 I have a very specific one for Mike from the  
14 Federation of Rental Housing Providers.

15 You spoke about two ideas worthy of consideration:  
16 Emergency Energy funds and conservation programs. In your  
17 model, would those be paid for out of rates?

18 MR. CHOPOWICK: Well --

19 MS. HARE: How would those be funded?

20 I'm sorry, microphone.

21 MR. CHOPOWICK: In the consultant's report, those  
22 programs were described as being examples of measures that  
23 are already in existence. So whether they're funded  
24 through community service agencies -- I think there was  
25 mention of one program funded through the United Way -- or  
26 whether they're funded through a government agency, I'm not  
27 sure, but certainly we just wanted to reflect the fact that  
28 we thought those were the most appropriate measures for

1 providing direct assistance to low-income households, who  
2 are customers who you know are receiving their own gas or  
3 electricity bill and who have a challenge in paying those  
4 bills.

5 DR. SILK: Just to follow up on --

6 MS. HARE: I'm sorry, Dana. And could you, for the  
7 people listening on the website, say who you are?

8 DR. SILK: Sorry, Dana Silk, EnviroCentre.

9 Just to follow up on that comment, our experience in  
10 Ottawa, ten years of working quite closely, in fact, on  
11 these issues, has been that the emergency programs really  
12 don't work. I think an analysis of who actually gets the  
13 money will show that most emergency programs actually are  
14 sort of debt collection agencies for the utilities. It  
15 works out great for utilities. They get their money back.  
16 They get a lot of good public goodwill because it looks as  
17 if they are helping low-income, and to a certain extent  
18 they are, but the emergency programs are very stressful.  
19 To qualify for most of the emergency programs you have to  
20 get a cutoff notice, and then you've got 20 days to prove  
21 that you really are desperate, and then you might get a  
22 little bit of money. But the money just pays off your  
23 arrears, and it so -- and it doesn't help the people to  
24 understand why they're using so much energy or natural gas  
25 or electricity.

26 And they are almost distracted by that. And the next  
27 year, it starts all over again. So it's not a solution at  
28 all.

1 MR. JANIGAN: Michael Janigan with Vulnerable Energy  
2 Consumers Coalition. Is my mic on? Keeps on wanting to  
3 shut off. It's on now.

4 Okay. Michael Janigan with the Vulnerable Energy  
5 Consumers Coalition. My concern is that we mix up the  
6 concept of whether or not the Board has a role in whether  
7 or not it should -- there is a need for the program with  
8 implementation issues, and many of the submissions have  
9 addressed problems associated with implementation issues as  
10 part and parcel of a -- targeting whether or not the Board  
11 has a role itself. I would suggest that, yes, there are  
12 significant implementation issues to be addressed, but  
13 first and foremost, I think, they have to look to see  
14 whether or not there is an agreement that there is a role  
15 in relation to these issues.

16 And of course we suggest that there is, and that  
17 debate certainly can continue. And we'd suggest that that  
18 role is based upon the Board's own responsibilities. With  
19 respect to implementation, our question is, the Board's  
20 studies and other reports seem to indicate that there has  
21 been successful implementation of many of these programs by  
22 other jurisdictions throughout North America and the world.  
23 And given the fact that our utilities here are recognized  
24 to be state of the art, I fail to understand why it is we  
25 must be drawn to the conclusion that they cannot implement  
26 in tandem with government and other agencies these kinds of  
27 programs.

28 And I think that, once again, this is a separate

1 question, separate from determining whether or not there is  
2 a role, and determining whether or not that whoever -- let  
3 me put it this way.

4       You can look far and wide and find quite a few  
5 agencies, quite a few branches of government, both in the  
6 private sector, that may have the role in relation to  
7 affordability problems for low-income or vulnerable  
8 consumers in Ontario. I don't think that means that you  
9 have to abandon your role because you see other roles --  
10 other players that may be able to play roles. I think it's  
11 important to be able to participate to the extent that the  
12 Board has a role in relation to its statutory objectives  
13 and responsibilities, and can meaningfully affect programs  
14 that may deliver perhaps not all, but some of the needs of  
15 the customers who require -- who wish to remain connected  
16 to the network and who wish to avoid hardships associated  
17 being connected to the network.

18       MS. ALDRED: Can I just ask you a follow-up question  
19 from your presentation? You talked about the connectedness  
20 program. I just wondered what you put in that basket.

21       MR. JANIGAN: Well, effectively, I suppose, you look  
22 at circumstances where, for one reason or another,  
23 customers are vulnerable to disconnection, and this may  
24 arise, first and foremost, of course, from the level of  
25 their household income, for the statistic percentage that,  
26 you know, 6 or 10 percent of your household income, or if  
27 more than that, goes to meeting utility requirements, that  
28 you may be in a situation of fuel poverty, maybe, and in

1 risk of disconnection. There may be other circumstances  
2 that arise; particularly, for example, the groups that we  
3 represent with seniors, where you have either circumstances  
4 where the individual may well not qualify for any social  
5 assistance because of the fact that they have equity in a  
6 house but lack the kind of income to be able to maintain  
7 the house and stay in that location to -- and pay the  
8 utility. And it may well be that they require assistance  
9 over the short-term and perhaps over the long-term,  
10 depending on the circumstances.

11 So a variety of those kind of customer circumstances  
12 may arise that threaten the connectedness with the network,  
13 and in general we see that utilities and the Board have an  
14 interest in maintaining that connectedness, and  
15 historically have tried to do so in relation to a number of  
16 different policies that they've pursued.

17 MS. HARE: Susan?

18 MS. FRANK: Susan Frank, from Hydro One.

19 I'd also like to follow on with a follow-up question.  
20 You suggested that there were opportunities for the  
21 utilities to work with other agencies to make special  
22 arrangements. And I see it as being kind of two things  
23 that we're talking about here. We're talking about  
24 providing assistance to people in need of assistance. And  
25 we're also talking about collecting the money from somebody  
26 to get that assistance pot available.

27 And then, in the assistance that we're providing,  
28 there's the identification as to who and the how. You

1 know, what are we doing there? Discounts on bills? Are we  
2 giving money to fund programs for conservation?

3 So what I wanted to know is, what aspects of that were  
4 you thinking would work with other agencies? Is it the  
5 identification of who? Is it the collection of money? Is  
6 it the payment of amounts? Where's the "working with"?

7 MR. JANIGAN: Well, I think our preference is likely  
8 to see that programs are funded by way of a general system-  
9 wide charge, I think in the same way as the -- as in  
10 telecommunications, high-cost serving areas are funding, in  
11 terms of revenues from all providers of service, and an  
12 across-the-board charge in relation to -- probably in  
13 relation to revenues, would probably be the fairest.

14 In terms of the dispensing of that money, I think that  
15 that is -- from what I understand of the review of  
16 different programs that have been offered in different  
17 jurisdictions, it's essential that there be a relationship  
18 with agencies that deliver programs to similar kinds of  
19 individuals, and I would see at that level that you would  
20 have to have a level of cooperation that's similar to what  
21 seems to exist in jurisdictions, for example, such as New  
22 Jersey for the delivery of programs and services.

23 MS. HARE: It's Marika Hare.

24 I might also add, I was visiting with four regulators  
25 in the last couple of weeks, actually on a different  
26 project, but we spoke about the low-income issues. That  
27 was Massachusetts, Vermont, New Hampshire, and New York.  
28 And all four -- in those four states, the distributors get

1 the list of who from social agencies.

2 So the distributors are not identifying who is  
3 eligible. That's from the social agency. And then they  
4 figure out the "how much". But the "who" is done by other  
5 agencies.

6 This also may be a good opportunity to introduce John  
7 Trogonoski, who's sitting in the front row. John is with  
8 Concentric Energy. We asked him to join us so that if  
9 there are questions about any of the other experiences in  
10 other jurisdictions from the report, he'd be able to jump  
11 in.

12 MS. FRANK: Susan Frank from Hydro One.

13 Marika, could you clarify for us, in those other  
14 examples, were there multiple providers within the  
15 community, or was it like one utility? So I just struggle  
16 with, how do you get the information for the customers that  
17 you serve rather than for the customers who are served by,  
18 you know, another group? And that's true for gas as well  
19 as electricity. Our territories don't align easily with  
20 social service agencies. So what was the experience there?

21 MS. HARE: Well, I'll be speaking about this a little  
22 bit tomorrow in terms of New Hampshire, but just looking at  
23 their pamphlet, their brochure, they've got about six  
24 agencies listed, so it's more than one agency they have to  
25 work with.

26 Now, of course, nobody has as large a territory as  
27 Hydro One, so you would have other issues. But is that  
28 your question?



1 MS. FRANK: Well, my problem is more -- we work with,  
2 like, 200-plus, but my problem is, when we work with an  
3 agency, we will not be the only electricity distributor  
4 that they work with. They will work with other electricity  
5 distributors as well.

6 So if there was a list of their clients, I'll say,  
7 would they give us the list, and then we'd look on our list  
8 to find out who was served? As a concept, I very much like  
9 the idea of somebody else doing it, rather than us, very,  
10 very much. But I still see problems with how that works if  
11 it's through a multitude of social service agencies.

12 MS. HARE: I see Dana Silk wanted to jump in here.

13 DR. SILK: Dana Silk, EnviroCentre.

14 I just wanted to maybe put to rest any talk of lists  
15 being provided of low-income consumers to utilities for  
16 this kind of program. In Ontario that's a non-starter. It  
17 cannot happen in Ontario. I speak from years of  
18 experience, working with ODSP clients, Ontario Works  
19 clients.

20 Ontario's confidentiality levels are quite high, some  
21 might say a bit too high, but we simply can't go there.  
22 The easiest way, if you're pursuing this kind of a program,  
23 is for low-income consumers to get in their bill: Ah,  
24 we've got some programs for, you know, them -- you know,  
25 are being directed to people who are having difficulty  
26 paying their bills. If you want to self-identify, call us  
27 up.

28 That's the way to do that kind of thing, if that's

1 where you want to go. We're not suggesting that, but if  
2 that's where you want to go, that's the way to do it.

3 MS. HARE: Maybe we're saying the same thing and I  
4 wasn't clear, but maybe we're not, so correct me. My  
5 understanding is, it's the social agencies that actually  
6 have the application form. So when somebody comes to that  
7 agency to discuss need, that that agency fills in the  
8 applications with them and will do the verification that  
9 they're actually eligible for the program, so they'll fill  
10 it in for telephone, they'll fill it in for gas, if it's  
11 available, they'll fill it in for electricity and any other  
12 programs that they've got. And then the distributor gets  
13 the name and does not do their own checking.

14 MR. WETSTON: Just a general question. I want to take  
15 a step back from the point of view of looking at this  
16 issue. And what it brings to my mind -- and perhaps you  
17 might be able to assist me with it -- is virtually  
18 everything that the Board does starts with its mandate.  
19 And I think we could all agree with that.

20 And what I find interesting here is that normally,  
21 when the Board exercises its authority and has that  
22 authority, it tends to look at what's missing. What does  
23 it need to respond to? We describe that in different ways.  
24 Some of you may have heard me in the past describe it as  
25 the mismatch. What's going on? What needs to go on? What  
26 does the Board need to do to address that issue?

27 In classical regulatory terms, we often think about it  
28 in terms of a market failure. Normally the market failure

1 is thought about in somewhat different terms. But just to  
2 use that as an example, we would look at what's going on  
3 with respect to our responsibilities and say, what's not  
4 being done that needs to be done? What's not being  
5 addressed that needs to be addressed? I think there's  
6 nobody here that hasn't recognized the fact that the issue  
7 around affordability is a bigger issue than just what the  
8 Board does with respect to its authority.

9 So in thinking about this issue, the first question  
10 that I would have, and I wonder about, is: Because we're  
11 here doing this, do you believe that the role of the  
12 regulator, under its current mandate, has changed in  
13 Ontario over the last number of years, and if so, why? Can  
14 anyone help me with that?

15 DR. SILK: Sure. I'll make a stab at that. Dana  
16 Silk, EnviroCentre.

17 Yes, and there are numerous reasons why the role of  
18 the regulator has changed. I could start with the Kyoto  
19 Protocol, which Canada has signed and ratified and the  
20 Government of Ontario supports. We have a climate-change  
21 crisis on our hands, and the Board, again, regulating in  
22 the public interest, I would argue, must recognize that.

23 I would also -- perhaps I'm not first -- but draw to  
24 your attention that -- what is it? I'm trying to think of  
25 the words that they're using in Washington this week.  
26 There has been a little problem with lack of regulatory  
27 oversight, not responding to market conditions; one might  
28 say poor government policies.

1 But the bottom line is that the regulatory system on  
2 the financial side -- which by the way isn't unlinked. I  
3 mean, we might go back -- what was it? The Enron scandal  
4 is not that many years ago, a large utility that was  
5 inadequately regulated and all sorts of problems.

6 And so those are some of the issues that have changed  
7 over the last decade, which I believe the Board must  
8 grapple with.

9 MR. CHOPOWICK: Mike Chopowick, manager of federal  
10 policy, Federation of Rental Housing of Ontario. One  
11 mandate of the Ontario Energy Board that of course is very  
12 relevant here is the setting of fair and just rates, and I  
13 think that's been a mandate of the Ontario Energy Board for  
14 some time. And that mandate, in our view, mostly in  
15 consideration of the costs of generating energy, the cost  
16 of delivering energy to customers, and also allowing for an  
17 adequate return on equity for utilities and generators and  
18 producers, we don't believe this has ever been the case in  
19 Ontario, where setting fair and just rates extends to  
20 considering the ability to pay. Just, it's not the  
21 expertise of the Ontario Energy Board.

22 That indeed is the expertise of other agencies, such  
23 as the Ministry of Community and Social Services. It's  
24 also even considered in some way by the Ministry of  
25 Municipal Affairs and Housing when they regulate rents in  
26 Ontario -- since 1975, they've always considered energy  
27 costs as a component of shelter costs when they set rents  
28 for low-income tenants. So we haven't seen how that's

1 changed.

2 MR. MANNING: Paul Manning, external counsel for LIEN  
3 and for some other intervenors or participants in this  
4 consultation.

5 It certainly has been and is the mandate of the Board  
6 to consider and set just and reasonable rates.  
7 Historically that has been done on cost-of-service. The  
8 Court has held, as everybody will know, that it's within  
9 the jurisdiction of the Board to look at ability to pay as  
10 part of its jurisdiction. So we can say that's always been  
11 part of the jurisdiction.

12 In terms of why the role may have changed, it must be  
13 because circumstances are changing. The disparity between  
14 the ability of low-income consumers to pay and the actual  
15 energy rates that they have to pay is increasing. It is  
16 anticipated that they will increase further. There is  
17 frequently a call in the energy industry for rates to be  
18 allowed to take their full, unsubsidized level. And if  
19 that is the way the industry is moving, and that may be a  
20 good thing for conservation, a good thing for industry, it  
21 would be an increasingly bad thing for low-income  
22 consumers.

23 So for the Board to change its role by taking up its  
24 jurisdiction within its mandate of setting just and  
25 reasonable rates to say: Let's look at low income and low-  
26 income energy issues, is now mandated by the change of  
27 circumstances and the increasing disparity in rates.

28 And if I may use the opportunity just to pick up on

1 another issue that has been made. A lot of people speak as  
2 though it were a choice for the Board to say: This is for  
3 government to do and this is for us to do. The Board has  
4 its mandate. It is to determine just and reasonable rates,  
5 and that may include some action for low-income. If it  
6 does, if the mandate does include taking action on rates  
7 for low-income, that is for the Board to do. It is not  
8 then an option to say: It's within our mandate, but we  
9 think you ought to do it, government, because we think it  
10 is more suitable. That would be an exercise on the part of  
11 the Board in social welfare policy. And everybody, I  
12 think, says it's not part of the Board's mandate to make  
13 social welfare policy, but in asking the Board to say: It  
14 could be our job but we're going to give it to you,  
15 government, that is an exercise in that kind of policy  
16 making.

17 So I think, in my view, in the context of the  
18 jurisprudence with which I've been involved, I think that's  
19 where the Board's role and mandate come together in what we  
20 now see as a potential for a rate affordability program of  
21 some sort.

22 MS. HARE: Thank you.

23 MR. MONDROW: Ian Mondrow. I'm external legal counsel  
24 for the IGUA in this proceeding.

25 And IGUA's position has indicated at its heart that  
26 IGUA opposed subsidizing low-income consumers by other  
27 consumer groups, just to give everyone that context.

28 And, Marika, I wasn't actually going to respond to the

1 Chair's point, so I'm happy if you want to come back to me  
2 at another time and allow the other people to respond. But  
3 one of the Chair's comments, as a preamble to his question,  
4 identified the role of certainly this Board and I think a  
5 lot of regulators in trying to search for gaps to fill. He  
6 talked about that in the traditional economic regulation  
7 sense.

8 And I've been listening this morning, and you know,  
9 there's a real divide here about advocates of the Board  
10 getting involved more, and advocates of the government  
11 assuming that responsibility, continuing to exercise that  
12 responsibility.

13 And I'm trying to understand -- and some of you have  
14 been helpful in that respect -- where the gaps are  
15 currently in the social assistance fabric that in the view  
16 of you and your constituents, the Board can usefully fill  
17 or at least in part fill.

18 And just an observation that I ask you to comment on,  
19 and it may be that later in this process we'll get a lot  
20 more detail about some of these gaps, but it seems to me  
21 that so far the comments point to a distinction between a  
22 reactive assistance and a proactive assistance, and that  
23 the government programs seem to be focussed on reactive  
24 assistance, but proactive assistance to preclude or to try  
25 to assist households and individuals from staying out of  
26 harm's way rather than pulling them out of harm's way once  
27 they're in is an essential distinction between what  
28 government is currently doing; that is, it's much more

1 reactive, and what in the views expressed this morning the  
2 Board might usefully be able to assist with. That is  
3 proactive.

4 So consumer education as an example of targeted  
5 conservation programs is an example. Those to me seem to  
6 be a lot more proactive an attempt to assist people before  
7 they hit the social service assistance agency radar screen.  
8 And I wonder if any of you could help me a little bit with  
9 that thinking and whether that's an appropriate  
10 distinction, or whether there are other appropriate  
11 distinctions that we should be considering. And again,  
12 realizing that some of these answers will unfold over the  
13 next few days, and not necessarily in response at this  
14 moment, that are very helpful for us to consider.

15 MS. HARE: Michael?

16 MR. JANIGAN: I'd like to think about Ian's point  
17 before I can give an immediate response on  
18 proactive/reactive, but I was trying to respond to the  
19 Chair's question about whether or not there were gaps  
20 there, and whether or not we're being asked to do something  
21 differently.

22 I see this to some extent as an extension of the kind  
23 of jurisdiction and approach that the Board has  
24 traditionally used on issues such as system expansion,  
25 where, in fact, they have looked at the idea that being  
26 connected to something like a natural gas system is a  
27 positive good, both for the network and from a societal  
28 standpoint, and have not necessarily insisted upon present



1 values in relation to the cost of expansion and, in fact,  
2 effectively had customers subsidize the cost of that  
3 expansion. I think it's part and parcel of that kind of  
4 approach.

5 I had -- I believe as well, that it's not -- it's an  
6 approach that's not out of keeping with historical kinds of  
7 regulation as well. Mr. Chairman, I had the good fortune  
8 of speaking with George Harrington yesterday when I was  
9 going over the details of the high-cost serving area  
10 program, and he suggested when I told him that you would be  
11 chairing the hearing that I bring to your attention the old  
12 branch line subsidization of -- that was involved in  
13 relation to CN Rail in order to maintain communities across  
14 the Prairies and the grain elevators and this sort of thing  
15 that was in place. He couldn't quite remember how it was,  
16 in fact -- how in fact it was -- had been funded, but I  
17 think it's a good example of, in fact, the regulator  
18 looking to maintaining connections with the network, and  
19 particularly with communities.

20 And to a large extent, I think that this is -- maybe  
21 you have a different focus, but -- is an expansion of that  
22 kind of approach.

23 MS. HARE: Theresa.

24 MS. McCLENAGHAN: In terms of the question Ian posed,  
25 I would refer in particular to the presentation we will be  
26 making on topic 4, rate-related measures and issues, but we  
27 have adverted -- various of the presenters have adverted a  
28 little bit today to the point that there are a variety of

1 decisions that have gone into the establishment of rates.  
2 And the assumption that low-income consumers would find  
3 those rates affordable and just and reasonable, given the  
4 whole complex of decisions that have gone into them, is not  
5 necessarily true and becoming less true as time goes by.  
6 So it is not only the commodity price increases which Susan  
7 and others mentioned, but the system is being rebuilt. We  
8 have the building of the past system that we're still  
9 paying for. We have other decisions being made about both  
10 gas and electric, what kind of transmission and  
11 distribution capacity we should have.

12 So it's a very fair question to say: Should that be  
13 falling on low-income consumers in exactly the same way as  
14 it falls on everybody else? And that's not necessarily the  
15 case. And on topic 4, we'll get into a whole bunch of  
16 specifics about why that's not necessarily the case, why  
17 even, you know, using what I'm told is kind of traditional,  
18 classical rate-setting theory, it's not the case. But it's  
19 an assumption that has to be questioned.

20 If you can look at it this way, in terms of the  
21 Board's consideration of what's just and reasonable and  
22 fair and affordable, it's as if we're taking a system  
23 where, you know, let's say "X" percent of the population  
24 has found historically, 20 years ago, say, found those  
25 rates relatively affordable.

26 And we've been shifting it a little bit, and shifting  
27 it a little bit, and shifting it a little bit, as these  
28 other decisions get made by society, and the Board is left

1 arbitrating with, how does that fall on who.

2 And these are consumers who are disproportionately  
3 impacted by those decisions. And it's starting to mean  
4 fundamental household impact decisions for those consumers.

5 So it's not just an abstract theoretical idea about  
6 "treat everybody the same", you know, for market economic  
7 reasons. This is not a kind of service where people can  
8 take it or leave it in this day and age, in terms of this  
9 commodity or this service or this product. This is  
10 essential to the well-being of the household.

11 And the whole system is shifting in price. So  
12 affordability is now becoming one of the key considerations  
13 the Board has to consider, in terms of its just and  
14 reasonable exercise of its jurisdiction.

15 MR. DUFTON: It's Bill Dufton, GLOBE, Green Light on a  
16 Better Environment.

17 I want to respond to Ian's -- I think it was Ian's  
18 point with respect to reactive and proactive programming  
19 and support. And I think it would be consistent with our  
20 presentation on topic 6 that we would support -- we would  
21 support a proactive approach to -- that would include  
22 education, consumer education, and conservation  
23 programming, and interim rate relief as a part of that as  
24 well. So there would be the three sort of tenets of that.

25 So I'm less concerned about, it would be a more of a  
26 comprehensive approach to the problem that could/would  
27 certainly involve other agencies and government directions,  
28 et cetera, et cetera. But we're here talking about what we

1 can do here today.

2 MS. HARE: Yes.

3 MS. CAMERON: My name is Cindy Cameron. I'm with the  
4 Kingston Community Legal Clinic. It's a poverty law  
5 clinic. We work with ISAC and ACTO, who are here today.  
6 We do front-line service provision, and we often see people  
7 after they have already tried to access existing financial  
8 resources.

9 So in response to Ian's question about gaps, what  
10 we're seeing is more and more people who have maxed out, in  
11 essence, the emergency funding that's available to them,  
12 and they can't get reconnected to the network.  
13 Essentially, they have no options other than to move.

14 In terms of proactive measures that are available to  
15 our clients, who are primarily tenants, at the moment  
16 they're often not able to control things like energy  
17 efficiency, because they can't control how much insulation  
18 is in the walls or whether the windows get upgraded.

19 So I think those are factors that need to be  
20 considered when the Board is coming up with solutions, in  
21 terms of proactive and reactive, and the way that the  
22 status quo in many senses is failing to effectively serve  
23 our clients.

24 Thanks.

25 MS. HARE: Colin McLorg?

26 MR. McLORG: Well, if I may defer to Joan, I think she  
27 had her hand up ahead of me, but after you, Joan.

28 MS. HUZAR: Joan Huzar, from the Consumers Council of

1 Canada.

2 Just in response to the Chair's question about, has  
3 the role of the regulator changed over the past few years,  
4 which I think, sir, was your question. And the response  
5 I've heard has been it ought to, because societal  
6 circumstances have changed.

7 But that to me is a different answer than: Yes, the  
8 role has changed, because now you're looking at "fair and  
9 affordable" as a criteria, as opposed to "just and  
10 reasonable".

11 MR. McLORG: Good morning, Panel. My name is Colin  
12 McLorg, with Toronto Hydro.

13 And I thought I might ask this question now and seek  
14 your opinion, because as a general question I'm not sure  
15 that this would come out later under the rate-related  
16 issues.

17 And that is, I wondered if you might be willing to  
18 offer any initial reaction or opinion to the concern that  
19 the cost impact of rate discount programs for low-income  
20 customers might vary as between different utilities,  
21 according to the demographics of the utilities,  
22 comparatively speaking, and whether in your opinion this is  
23 a matter that the Board should give any weight to, and if  
24 it should, what type of remedy or approach you might  
25 recommend to that? Thank you.

26 MS. McCLENAGHAN: From LIEN's perspective, that and  
27 other implementation questions that we've been discussing  
28 today have caused me to reflect that you might notice in

1 the LIEN presentation, which deals with every topic, we  
2 actually do not deal with implementation questions, because  
3 our assumption has been that that would follow this  
4 proceeding. If the Board is persuaded to exercise its  
5 jurisdiction, as we're advocating it should do, it won't be  
6 necessary to engage in an awful lot of: Exactly how to,  
7 which model?

8 We're going to be talking in later days about some of  
9 the experience in other jurisdictions, as well as the  
10 Concentric report, and others, and lots of models have  
11 worked in other jurisdictions.

12 So that kind of question, I think, will be a very  
13 valid question, but I'm wondering if it's the kind of thing  
14 that would follow on an initial decision to proceed, you  
15 know, in this direction.

16 And then, just to be clear, LIEN is advocating that  
17 the Board should entertain some kind of informal fact-  
18 finding exchange of views, development of positions, see  
19 how things would work, before getting into, you know, a  
20 very formal proceeding, where there's actual testimony and  
21 questions and answers. I think there would need to be that  
22 kind of a dialogue between all of the different players as  
23 evidenced who are very diverse in this room.

24 MS. HARE: Michael?

25 MR. JANIGAN: Yeah, I think that's why I gravitated to  
26 the high-cost serving-area model, which effectively  
27 requires contribution from all players on a certain  
28 percentage basis and goes to the central fund, which is

1 used to, you know, in the case of the high-cost serving-  
2 area, obviously, maintain service in law to telephone lines  
3 throughout these particular areas.

4 In the case of a fund to alleviate problems associated  
5 with -- with income vulnerability, it would be used to  
6 address those connectedness problems throughout the range  
7 of the utilities.

8 MS. HARE: Mary Todorow?

9 MS. TODOROW: I'm going to be talking about the gaps  
10 in topic 2. You're asking about the gaps in terms of the  
11 programs that are available right now. And I don't think  
12 there is anything that precludes the government from doing  
13 things and the OEB doing things, because poverty reduction  
14 is a multi-pronged issue. There's a lot of things that can  
15 go into that toolkit.

16 And the thing is, we're dealing now with inadequacy of  
17 shelter allowance that's supposed to be paying for your  
18 rent costs and your utility costs. And there was a slide  
19 that Theresa had in her presentation. \$595 currently,  
20 currently, is what a single mom with two kids -- and that's  
21 everywhere in the province -- has to deal with her rent and  
22 her utilities.

23 If her utility costs are more than that -- it's  
24 possible, if you have electric heat and you're in a badly  
25 insulated home in a rural area -- you get the maximum --  
26 you get your maximum, or what it costs to cover your  
27 utility costs based on your previous consumption. But then  
28 you have to use your basic needs to pay for everything

1 else.

2 So there's lots of gaps. I think that the OEB connect  
3 and the government connect doesn't have to be one or the  
4 other. And the thing is, we'll revisit, as people -- as we  
5 make improvements and decrease the level of poverty in the  
6 province, there's no reason we can't revisit this stuff.  
7 But we don't want people to be suffering now. And both  
8 parties can act.

9 MS. HARE: Right.

10 MS. TODOROW: Oh, and just one more thing I wanted to  
11 say. I attended the CAMPUT conference. We were lucky  
12 enough to be invited a couple of years in a row now. They  
13 have a community fund to hear from more diverse sources  
14 other than just the regulators at these Canadian  
15 Association of Members of Public Utility Tribunals.

16 I was so taken with the one that I attended two years  
17 ago, because the big topics there were how to deal with the  
18 impact of climate change, how are we going to pay for this,  
19 what do regulators do, and how do we deal with issues of  
20 affordability. So these are things that are definitely on  
21 the agenda of regulators and how to respond to it.

22 MR. CASS: Alison Cazalet. Mary, maybe you can give  
23 me some more detail. You were saying that there could be a  
24 role for the Board and for the Government.

25 MS. TODOROW: Sure.

26 MR. CASS: Do you see a specific delineation; the  
27 Board should do this set of programs, the Government should  
28 do this?



1 Or should it overlap be allowed?

2 MS. TODOROW: Maybe. I don't have all the answers.  
3 This is what we're here about. We're putting it all on the  
4 table. I think it's going to be progressive. I think it's  
5 going to be a work-in-progress as we do this, as we improve  
6 conditions, as we improve, you know, payment issues, et  
7 cetera, for low-income consumers. I don't have the answers  
8 to everything.

9 And that's why, hopefully, with all the brainpower in  
10 this room, we can actually come up with something.

11 MR. CHOPOWICK: It's Mike Chopowick, Federation of  
12 Rental Housing Providers.

13 The gentleman from Toronto Hydro is asking about gaps,  
14 and firstly, even though from the point of view of our  
15 organization, we don't believe the OEB should be wading  
16 into this quagmire in the first place, but if we're talking  
17 about gaps, we know very well from over 80 percent of low-  
18 income tenant households in Ontario, they don't know what  
19 their electricity consumption is or their gas consumption,  
20 because they're not individually metered.

21 In a 100-unit apartment building, there is one bill.  
22 It's paid by the landlord and those costs are included in  
23 the rent.

24 And I know there is a topic in this consultation on  
25 sub-metering, but that's certainly a big gap. Without  
26 having every household in Ontario individually metered, you  
27 have no way of knowing what their usage is, what their  
28 monthly bills are, no way of knowing if their energy costs

1 are beyond a certain threshold of their income that would  
2 make it unaffordable.

3 DR. SILK: I would just like to reassure my colleague  
4 that I don't think we're getting into a quagmire here. And  
5 one of the ways to avoid getting into a quagmire would be  
6 to persuade the Board that it should stick to its level of  
7 expertise or its area of expertise, which is rates and  
8 regulation. And I hope, you know, that -- what we  
9 obviously need to avoid the quagmire is sub-metering, it's  
10 certainly -- you know, we cannot have effective rates or  
11 regulation when people don't pay for the energy that they  
12 consume. So for us, sub-metering is a precondition for  
13 just and reasonable rates in Ontario.

14 Of course there are going to be some difficult  
15 transitions to be made, but every household in Ontario  
16 should have its own meter for electricity and natural gas.

17 Thank you.

18 MS. MCCLENAGHAN: Yes. We'll be talking a lot more  
19 about sub-metering because there are some implementation  
20 issues with that going on. But my question is, for those  
21 who mentioned -- and there were two or three presenters who  
22 mentioned that some kind of assistance with rates or  
23 discounts with rates, or whatever it may turn out to be,  
24 would cause an increase in consumption, I'm wondering if  
25 anybody is aware of studies that have shown that to be  
26 true.

27 And I'll preface that by saying that we're advised by  
28 our expert, Roger Colton, who has looked at many of these

1 jurisdictions that we've talked about in our slides, that  
2 the evaluations have shown that that has not happened in  
3 all of those many jurisdictions who are presently -- and  
4 some have for as many as 20 years been carrying out these  
5 programs, they have not seen a rise in consumption because  
6 of this kind of assistance. And I might go further to say,  
7 perhaps it's because in many of those households a lot of  
8 that consumption is not optional in any event. So for  
9 those who have mentioned that, I'm just wondering if  
10 anybody has information that we don't have on that.

11 MS. HARE: Anybody like to respond that?

12 MR. CHOPOWICK: It's Mike Chopowick, FRPO. I was one  
13 of the presenters who mentioned that. And that was, again,  
14 maybe the author of the Concentric report may want to  
15 comment further. That is mentioned on page 22 of his  
16 report, based on what has occurred in other jurisdictions.  
17 You know, electricity and gas are basic commodities and  
18 they are price-sensitive, and certainly as the price rises  
19 you may see a decrease in consumption. And certainly I  
20 think the opposite may hold true as well. So I don't have  
21 any actual data on that.

22 And again, in the example of where we have seen rental  
23 housing projects that have been individually metered  
24 transition from bulk-metered, we've seen decreases in  
25 consumption, because then finally tenant households are  
26 aware of what they're consuming and figure out the best way  
27 to reduce their consumption and their costs. There's  
28 plenty of evidence in that that we will submit to the Board

1 in our written comments by October.

2 Thank you.

3 MS. HARE: John, do you want to comment on the  
4 reference to page 22 of your report?

5 MR. TROGONOSKI: This is John Trogonoski with the  
6 Concentric Energy Advisors.

7 I don't think we have any specific information on this  
8 issue either regarding a specific study that shows that  
9 people do or don't use more energy when the price changes,  
10 but I think just basic economics would tell me that at  
11 least from some perspective there's a point at which people  
12 are going to change their behaviour based on the price  
13 signal they're getting about the rate that they are paying.  
14 And I think that applies to low-income consumers in the  
15 same way that it applies to the general body of ratepayers.

16 So I think to the extent that a low-income program  
17 offers a lower rate to a consumer, I think you at least  
18 need to find way to make sure that the consumer's usage  
19 doesn't necessarily increase to a level that would give  
20 them an advantage over a person who wasn't in that same  
21 situation of being subsidized. So that's what we're trying  
22 to get at here. It doesn't necessarily mean that we have  
23 evidence that says that it is happening in a jurisdiction.  
24 We're just trying to say that the Board needs to be aware  
25 that that's a possibility, so when they're designing a  
26 program they need to find a way to deal with that issue.

27 DR. SILK: Dana Silk, EnviroCentre. We do have  
28 evidence that people who do not pay for electricity and

1 it's included in their rent tend to pay no attention or  
2 little attention -- certainly less attention -- than people  
3 who do pay for the electricity. As John pointed out, it's  
4 common sense. There are far too many examples of -- Mike,  
5 is it? -- who knows that if the heat isn't included in the  
6 rent, you see lots of windows open during the winter. It's  
7 easier to open a window than it is to turn the heat down.  
8 There are all sorts of problems.

9 It's actually complicated in the case of some social  
10 housing agencies, although it's now changing. About ten  
11 years ago when we started to try to get some of this data,  
12 we couldn't get data the from the social housing agency  
13 because the energy consumption bills were in a box some  
14 place, because they didn't pay any attention to them  
15 because the City paid for those. Or, in fact, it was  
16 actually the Province who was paying for them. So it's  
17 almost a double negation, which doesn't make a positive.

18 The people in the social housing units paid little  
19 attention to the energy consumption because they weren't  
20 paying for it. The managers paid almost even less  
21 attention because they weren't paying for it. They just  
22 passed the bills along to the City, which then just passed  
23 the bills along to the Province. So that, in a bit of a  
24 microcosm, is part of the problem why we have inadequate  
25 regulation in this field.

26 MS. HARE: Christine Dade.

27 MS. DADE: Christine Dade, representing AMPCO here  
28 today. Some of the issues that have come up and have been

1 ongoing for many years for low-income and for people within  
2 the LDC jurisdiction -- and I question at one given time to  
3 any type of cross-subsidy for a group, and how that's going  
4 to be spread out about either ratepayers or income tax  
5 payers.

6 And we think that sometimes the spreading across your  
7 ratepayer can be unfair. We're already trying to do cost-  
8 of-service regulation for rates to ensure that even on  
9 regular customers, we're not cross-subsidizing for all the  
10 type of revenues and the costs.

11 But are we not really looking at, too -- by asking a  
12 rate for a special -- for low-income people, we are saying  
13 that the current social service agencies that are helping  
14 are inefficient. Are we not -- we need to balance them out  
15 better. Like, Mary makes a comment that, you know, there's  
16 a budget of \$595 for rent and utilities. Is it more  
17 efficient to implement a rate change at an LDC level, with  
18 all the administration and the collection process, than  
19 actually helping out on another agency and ensuring that  
20 people in education are given a better value and better  
21 understanding of the money and what is needed?

22 The implementation -- and people say we're going to  
23 talk about it at different points in time -- the  
24 implementation of a change of rate at an LDC level for this  
25 type of program is tremendous, and it shouldn't be  
26 underestimated, because LDCs work very hard at trying to  
27 make sure that the people aren't cut off.

28 There's already rules in place. I mean, LDCs go out

1 of their way to ensure that their customers are protected,  
2 and they do everything in their power to make sure that  
3 they can pay for their power.

4 I mean, I just think that we have to look at the  
5 efficiency of our social services, because last I heard, I  
6 thought there was about 47 social agencies in Ontario to  
7 take care of different aspects of low income in Ontario.

8 Thank you.

9 MS. GIRVAN: Julie Girvan, for the Consumers Council  
10 of Canada.

11 I was going to just actually piggyback on some of  
12 Christine's comments, that I think it's really important  
13 that we all understand the implications of potentially  
14 putting a program through the LDCs, of which we have more  
15 than 80 in the province.

16 And the other side of that is, is it more cost-  
17 effective to do it centrally through the OPA and delivering  
18 DSM programs, and through government agencies?

19 So, I mean, it seems to me that -- I agree that maybe  
20 there could be a role for the Board and for the Government,  
21 but I think at some point we have to understand the  
22 potential cost implications, because we may be incurring  
23 costs that may not be necessary simply because we choose to  
24 deliver through the LDCs. And I think that's an important  
25 point to look at the balance.

26 So overall, assisting low-income people in this  
27 province might be more cost-effective through the  
28 Government and through the OPA, through those programs,

1 versus trying to do the same thing effectively through the  
2 LDCs.

3 MS. HARE: I just wanted to just remind everybody that  
4 -- and this has all been really good discussion -- that  
5 there are a number of things that we're going to be talking  
6 about over the next few days that I think are broader than  
7 just rates. We'll be talking about arrears management,  
8 equal billing plans, disconnection fees, waiving of late-  
9 payment penalty fees, and those clearly are the  
10 responsibility of the distributor and over which the Board  
11 has jurisdiction. So let's keep in mind that this is a  
12 broad consultation on a number of issues.

13 Okay. Paul.

14 MR. MANNING: It's very timely, you mentioned the fact  
15 that it is broad, and perhaps -- I'm also representing the  
16 National Chief's office on behalf of the Assembly of First  
17 Nations. And they're not making a presentation here.  
18 They're largely supportive of what LIEN and the other  
19 participants have to offer on that. But I was  
20 disappointed, as I'm sure everybody is, that Nipissing  
21 First Nation were unable to be here today.

22 And there's one issue that doesn't come into the  
23 mainstream, but it's -- we talk about: What do we do for  
24 low-income consumers who are already connected? And  
25 Michael Janigan was talking about being connected as one of  
26 the primary issues, and he grounds it in utility rate base.  
27 And I think that is all true.

28 Of course, we have a large number of people in remote



1 communities, where poverty and remoteness are one and the  
2 same thing, for the purpose of energy provision, anyway,  
3 and they are denied the opportunity to participate in  
4 Ontario's energy, gas and electricity.

5 And so it may not be a central feature of this  
6 consultation, but it is an important point, and it impinges  
7 on the Board's jurisdiction in matters such as transmission  
8 and leave-to-construct and who bears the allocation of  
9 costs and things like that.

10 So I just wanted to note the point at this, as you  
11 mentioned, the wider context. Thanks.

12 MS. HARE: Susan?

13 MS. FRANK: I feel I must talk about the remote  
14 communities. And indeed, the people in remote communities,  
15 as Hydro One, you know, serves the remote communities, do  
16 have access to electricity. There is an ability for them  
17 to connect to electricity. They're not connected to the  
18 grid, but they have electricity. There's generation,  
19 typically diesel, but there may also be wind or water.

20 So these people have access to electricity. And,  
21 Michael, there is actually in Ontario something called  
22 Rural and Remote Rate Protection, which I think does the  
23 same function as what you were talking about. It is a  
24 location-oriented subsidy. So remote communities get a  
25 significant subsidy through that.

26 So I think there is already a means of dealing with  
27 location -- not income, but location-specific concerns --  
28 and the remote subsidy does exactly that. It pays well

1 over half, maybe two-thirds, of what it costs to serve  
2 these people, because of location, not because of the  
3 income.

4 MR. MANNING: If I could just respond to that, I don't  
5 disagree with any of what's just been said. And I'm not  
6 making the point so much as how is that funded, so much as  
7 we are -- as the IPSP is under consideration by the Board,  
8 and Ontario's proposal is to have a much more broadly-based  
9 electricity generation with wind power in remote  
10 communities, the ability to take an increased advantage of  
11 the generation and distribution that will arise from that  
12 exercise, and perhaps in the process substitute for some of  
13 the diesel generation that is in place, is appropriate to  
14 be considered in the context of this discussion. That's  
15 all I'm really saying there.

16 MS. HARE: Colin, did you have something?

17 MR. GAGE: I'd just like to take the opportunity, if I  
18 may, to dispel what Dana has said from EnviroCentre. The  
19 implication that Dana said was that non-profits took their  
20 utility bills, threw them in a box, and trucked them over  
21 to City Hall to pay and not worry about them.

22 I just cannot sit idly by and let that comment go by,  
23 because, in fact, non-profit housing providers today are  
24 benchmarked. In other words, we are capped at a certain  
25 amount that we can spend on utilities for an individual  
26 building. If they go over that maximum amount, the non-  
27 profit is responsible for paying for it.

28 So once again, I must -- Dana, I have to clarify this

1 point, because we are very, very responsible for the  
2 utility bills which we as providers incur. So it is an  
3 issue.

4 And the issue about open windows is the fact that this  
5 housing stock, as I said in my presentation, was built with  
6 what I will construe as underfunding, and today we're  
7 paying the price for very inefficient energy plans that  
8 would warrant no individual suite control, but rather,  
9 let's heat the whole building and open up all the windows  
10 to get to that relative temperature.

11 So I just wanted to make sure on the record that that  
12 was stated, that those two issues are very, very important  
13 to housing providers, who provide a significant amount of  
14 housing in this province.

15 Thank you.

16 DR. SILK: I agree with you. I just would clarify  
17 that I believe I did say that was ten years ago when we  
18 first tried to get some data, and the situation certainly  
19 has improved. But ten years ago that was the situation in  
20 at least one major social housing non-profit provider in a  
21 city that I won't specify.

22 MR. GAGE: What happens in Ottawa, stays in Ottawa.

23 [Laughter.]

24 MR. JANIGAN: Would that were true.

25 MS. HARE: Any final questions or comments on this  
26 topic? Yes. Jim Gruenbauer.

27 MR. GRUENBAUER: Thank you, Marika.

28 I'm with the City of Kitchener, and the City of

1     Kitchener owns a gas and water utility within its municipal  
2     boundaries, and that's who I'm asking this question on  
3     behalf of.

4             I wanted to ask Theresa this question. And upfront  
5     you might have a problem answering this question, given  
6     some of the discussions that went by earlier. And I want  
7     to take you back to the LIEN presentation at slide 22, if I  
8     could.

9             And LIEN is advocating that Ontario's low-income  
10    consumers should not be paying more than 6 percent of their  
11    total household income on --

12            MR. SOMMERVILLE: Sorry, what was that reference  
13    again? Could you give that again?

14            MR. GRUENBAUER: Yes, sir, it's slide 22 in the LIEN  
15    presentation. And I'm just reading it out from that slide.

16            LIEN was advocating, essentially, a cap -- if I'm  
17    understanding this correctly -- that Ontario's low-income  
18    consumer should not be paying more than 6 percent of their  
19    total household income on energy.

20            And I know, Michael, you talked about bean counters  
21    earlier. And I'm sorry, I was trained as a bean counter  
22    and I'm drawn by numbers. So I'm trying to quantify this  
23    at a global level. And, you know, people are going to  
24    struggle with this, I know, but I'm just trying to come to  
25    grips with what that number could be.

26            The cap clearly suggests that actual costs for almost  
27    800,000 households in Ontario that are low-income consumers  
28    would exceed that cap. So that drives a gap that needs to

1 be funded somehow, or better, reduced permanently. And I  
2 think, you know, there's been some discussion around that.

3 Are we talking around \$100 million, \$500 million, a  
4 billion, globally, if we accept that whatever, you know,  
5 the utility costs for whatever those 800,000 households are  
6 -- they're gas, they're electric -- does anybody have any  
7 idea what that gap might be? And the starting premise can  
8 certainly be that -- I think a lot of people are going to  
9 agree -- that that gap, it's in the public interest broadly  
10 to do something with it. Best solution, reduce it. To the  
11 extent that there's something that's stranded, that's left  
12 that needs to be funded, you know, maybe that's where  
13 general government comes in. I'm really getting a little  
14 ahead of myself here, but does anybody have an opinion on  
15 how big the number is?

16 MS. McCLENAGHAN: First and foremost, we absolutely  
17 agree that reduction of use through good, robust access to  
18 conservation and building envelope improvements, et cetera,  
19 is the plank for the approach. We really do want to see  
20 people being able to participate in that culture, and  
21 that's for sure the -- you know, you saw our pyramid that  
22 said that.

23 In terms of what the actual costs would be, we could  
24 inquire into some jurisdictions who have used some kind of  
25 a benchmark like that to see what their cost experience  
26 was. Like the UK, as we mentioned, used 10 percent. But  
27 in any event, that's going to change over time if we're  
28 successful with a plank which is participation in a

1 conservation culture, better buildings, better access to  
2 efficient appliances, et cetera.

3 So one would hope that that amount, whatever it might  
4 turn out to be as an estimate today, would not necessarily  
5 be true forever. And as Mary and others have mentioned, we  
6 are in a broader context where we are hoping for other  
7 income issues to be addressed beyond this room as well,  
8 which might then affect the energy affordability piece of  
9 the picture.

10 But I think, you know, where the number comes from,  
11 and you rightly point out that regardless of how it ends up  
12 being addressed in the province, it demonstrates a clear  
13 and present problem today for many. And the question about  
14 what the actual cost will be will partly depend on which  
15 kind of a program or approach we would collectively decide  
16 to take.

17 If we were doing very little on good deep measures,  
18 conservation, as opposed to the kind of light measures  
19 approach that we've often taken, then that gap is going to  
20 stay and perhaps grow as prices continue to increase.

21 So we can do a bit of digging, but you know, for sure  
22 it's going to be something that we would hope would not be  
23 the same number over time.

24 MS. HARE: Susan.

25 MS. FRANK: Susan Frank from Hydro One.

26 I want to go back to a comment, Marika, that you made  
27 earlier in terms of it being beyond just rates, but other  
28 activities that we might undertake to distinguish between

1 the low-income customers and other customers, and you were  
2 talking about lower interest rates on overdue amounts, or  
3 no up-front deposit or a whole variety of measures.

4 And I think that, true, in terms of what's charged to  
5 the customer, there is an envelope of activities that get  
6 charged, and it goes far beyond just the monthly rate for  
7 your electricity use. But if you go to distinguishing  
8 those and saying there's the rate for the low-income and  
9 then there's a rate for everybody else, you have -- the  
10 fundamental problem of who is the low-income is still  
11 there, so that that determination of who qualifies doesn't  
12 go away the moment you say: We're going to distinguish.

13 And I think that is one of the big problems.

14 The other thing is, very few of us would have any  
15 systems today in place that would allow for that  
16 distinction to occur. So we actually would have a standard  
17 charge that we make, and the moment you have to say: Well,  
18 create a new one for this special class, then you're  
19 creating the new class, you're creating the new rates, and  
20 you're adding inefficiency to both processes and billing  
21 systems, interest rates. Somebody else is paying for all  
22 this.

23 But that is not even the heart of my problem. My  
24 problem is distinguishing who gets it and what will it cost  
25 to give it to them? I want whatever benefits go to low-  
26 income consumers not to be short-changed by more  
27 administration, and I believe that's more administration.

28 MS. HARE: We will be spending Thursday talking about

1 DSM and CDM programs, so I leave it to those that are in  
2 the audience that will be presenting on Thursday to ask  
3 you. I know that both Enbridge and Union are spending over  
4 a million dollars on CDM programs -- or DSM programs for  
5 low-income, so the question that I'll have on Thursday is:  
6 How do they figure out who's eligible? Colin?

7 MR. McLORG: Thank you, Marika. Colin McLorg, again,  
8 for Toronto Hydro. I'm sorry. It seems to be on now.

9 I ask this question simply to attempt to assist a  
10 discussion, and it goes to the issue of direct rate  
11 discounts and the question of what's an implementation  
12 issue versus a policy issue, and the question of the  
13 relative roles to have government versus the OEB.

14 So, with all that preamble, and really meaning, I  
15 hope, not to be impertinent at all, is it possible for the  
16 Board to give any kind of comment on what the boundaries of  
17 its possible actions might be? Are we talking here  
18 strictly about a reallocation of revenue responsibility  
19 within the individual approved revenue requirements of  
20 specific utilities, or can we talk about something broader  
21 that would be a charge that has an external source of  
22 funding? Or is it the case that the Board might consider  
23 things that bridge the revenue requirements of different  
24 utilities?

25 I don't mean to ask for an early finding, by any  
26 means, on the part of the Board, but is there anything that  
27 flows out of its recognition of its own jurisdiction that  
28 would put any boundaries over or around what it is that



1 we're talking about?

2 MS. HARE: Well, I think, being a stakeholder  
3 conference, the intent was to be broad and to hear the  
4 various views and maybe even hear all the various options  
5 that are available. As to what the Board decides to do  
6 would be sort of a subsequent stage, as I think our Chair  
7 mentioned this morning.

8 I might also mention, the letter that was sent out in  
9 August talked about depending on what the Board decides to  
10 do after hearing these views, there would be further phases  
11 in terms of implementation, and so I think the comment that  
12 was made about, you know, if there was a decision made to  
13 undertake something, that's not the end of the process.  
14 There will have to be further discussion as to how that's  
15 done.

16 But I think, and I turn to our Board Members, at this  
17 stage, we want to hear all the various options and all the  
18 issues, and then the Board Members will decide what to do.  
19 I don't know --

20 MR. McLORG: So there's nothing that can be ruled out  
21 as an option right now?

22 MR. WETSTON: Nothing except your good judgement. But  
23 I'll just respond to Marika on this point. Look, really, I  
24 think we are here to explore this very openly together,  
25 recognizing the importance of the issue. I don't really  
26 feel it's appropriate to give you an interpretation at this  
27 stage of the legislation and our authority. That would  
28 defeat the purpose of this exercise. And as Marika's

1 indicated, we're doing a lot of things at the Board in  
2 other venues, which we're trying to bring together this  
3 week to think about this important issue.

4 And I recognize your desire for clarity, but that's  
5 not the purpose of this at this stage. If you want a  
6 ruling, I can give you one, but it's not going to help you  
7 very much, particularly in this kind of proceeding, because  
8 it doesn't mean very much.

9 And I'm not going to get into George Harrington's  
10 abandonment of lines issue under the Railway Act of 25  
11 years ago, when we're working together busily trying to  
12 develop new legislation to deal with that issue. And what  
13 I'd like to say is I was the lawyer, he was the economist,  
14 so I won out all the time, although he would clearly  
15 disagree, I'm sure.

16 Having said all that, I think, really, realistically -  
17 - let me set the stage here a little bit for your thinking.

18 The relative responsibility of the OEB in  
19 proportionality to the bill that every consumer pays,  
20 excluding the industrial and commercial consumer -- and to  
21 some extent I'll put the MUSH sector on the side -- really  
22 involves, for example, in electricity we have considerable  
23 responsibility for 25 percent of the bill. In gas, it's  
24 about the same thing. I think Union Gas kind of floated  
25 that issue.

26 And it's different in electricity and gas. In  
27 electricity, we have very little responsibility over the  
28 prudence of the costs associated with generation. In gas,

1 we have some responsibility for the costs associated with  
2 the prudence of the acquisition of gas by the LDCs.

3 But essentially, when you think about our  
4 responsibility with respect to the bill, it's not 100  
5 percent. And even the RPP, as you all know here, is very  
6 much a matter of what the Government has decided is the  
7 responsibility of the Board with respect to setting that  
8 price.

9 So in thinking about our responsibilities, it is not  
10 meant to dissuade the discussion or to reduce the amount of  
11 discussion around this issue. It's always very helpful to  
12 keep in mind the Board's responsibility around what it has  
13 specifically under its legislation.

14 And so I'd like you to just take a step back and think  
15 about -- for example, there was some mention of the debt  
16 retirement charge. Well, that's not our responsibility.  
17 The RPP is our responsibility. But I want you to  
18 understand, while it's not just formulaic, there's a lot of  
19 regulation that tells us what to do.

20 And one of the things that we have to do is recover  
21 the cost of supply. That's one of the definite things that  
22 we have to do.

23 So on the gas side, I think I've indicated, and you  
24 all very well know, that gas is very competitive, and it's  
25 been and up down, and we recognize that creates some  
26 concerns. And we try and adjust it, adjust for it, through  
27 QRAM processes as a way of attempting to smooth out the  
28 pricing. RPP is also a smoothing mechanism, as you all

1 know, similar to QRAM.

2 So in thinking about these issues -- and Colin,  
3 without trying to answer your question specifically -- and  
4 you may not like this answer. You may well -- may want to  
5 go back to work rather than being here, because I don't  
6 think it's appropriate for us at this moment to try and  
7 answer that question specifically. I think it's really  
8 important for us to have a very open discussion about the  
9 possibilities.

10 And I think -- and you can leave it to the Board later  
11 to determine the viability of the possibilities that we  
12 discussed today, because that is our duty, just going back  
13 to what I was echoing about an hour or an hour and a half  
14 ago.

15 I don't know if that's of any help or not, but I hope  
16 it is.

17 MR. McLORG: Thank you. It is for me.

18 MS. LOPINSKI: Hi, it's Jennifer Lopinski, and I work  
19 for A Place Called Home, and I --

20 MS. HARE: I'm sorry, I didn't hear that.

21 MS. LOPINSKI: My name is Jennifer Lopinski, and I  
22 work for A Place Called Home, and I administer a number of  
23 emergency energy programs in the City of Kawartha Lakes.

24 And I just wanted to make a few comments, some  
25 addressing to Susan Franks (sic) from Hydro One. I work  
26 with Hydro One on a daily basis. I have an excellent  
27 working relationship with them. And my job as an  
28 administrator of the Emergency Energy Fund is to do an

1 evaluation of a low-income earner's financial situation.

2 So we are already looking at identifying who the low-  
3 income earners are. I don't know, if you were to leave it  
4 to perhaps just strictly social services, generally, like  
5 Ontario Works or ODSP, whether the typical low-income  
6 earner would actually be captured.

7 I can tell you that I capture them, and quite  
8 frequently negotiate with Hydro One to have certain things,  
9 you know, waived for the client, whether that's security  
10 deposits, whether that's buying some more time for that  
11 client to make payments. Perhaps that's actually using an  
12 Emergency Energy Fund to alleviate the quick crisis that  
13 is.

14 And I would hate to see that those funds would ever  
15 disappear, the Emergency Energy funds, because they do  
16 serve in their purpose. It may be short-term, and it  
17 doesn't necessarily resolve long-term issues for the -- for  
18 low-income earners, you know. Sometimes, you know, some  
19 financial management is recommended and has proven to show  
20 long-term success.

21 But I just wanted to say, you know, on a small scale,  
22 on a very small scale, we are identifying the low-income  
23 earners, and, you know, maybe that can be made somehow  
24 bigger.

25 Thank you.

26 MS. HARE: I don't see anybody else wanting to ask a  
27 question, make a comment. I suggest we break for lunch now  
28 and return at 1:45. I think we will move immediately to

1 topic number 2, so we're a little bit ahead of schedule.

2 So 1:45, and we'll start with the presenters on topic 2.

3 Thank you.

4 --- Luncheon recess taken at 12:37 p.m.

5 --- Upon resuming at 1:55 p.m.

6 MS. HARE: We're ready to begin. Excuse me. We're  
7 going to be beginning now.

8 We are resuming our consultation on energy issues  
9 relating to low-income consumers with topic 2, which is:

10 "Are there programs in place now, including  
11 emergency assistance programs, to assist low-  
12 income energy consumers, and if so, are there  
13 agencies and organizations which currently work  
14 with utilities to co-ordinate and to administer  
15 these programs. What more, if anything, should  
16 be done?"

17 Our first presenter is Barb Allen, manager, customer  
18 care from Hydro One.

19 **PRESENTATION BY MS. ALLEN:**

20 MS. ALLEN: Okay. So I'll repeat that. I'm Barb  
21 Allen, and I'm part of the customer care division at Hydro  
22 One.

23 As was just mentioned, this is topic 2: What  
24 currently exists to help low-income consumers in the  
25 utility, and are there organizations that can be part of  
26 these processes?

27 What I'm going to do is a bit of a summary of what  
28 Hydro One currently does with customers who are having

1 difficulty paying bills. I wanted to emphasize first that  
2 we don't currently have any specific program that's  
3 targeted to the low-income consumer. We don't -- we cannot  
4 identify these customers in our customer base, but we do  
5 have experience in managing a variety of approaches for  
6 customers who are having difficulty paying their bill.  
7 That could be for various reasons. They could in fact be  
8 low-income consumers, but there could be other situations  
9 like short-term disabilities or seniors on fixed income.

10 I'm going to go through some of those items. This  
11 might be of some assistance in going forward and developing  
12 something that's specific to low-income consumers.

13 At the moment we do offer payment arrangements to  
14 somebody who is having trouble paying their bill. We do  
15 encourage customers to call us if they're in difficulties,  
16 and we communicate this to customers once a year in bill  
17 insert communications. And when a customer is new to us,  
18 in our welcome package, we will say: If you are having any  
19 difficulty paying the bill, please do call us.

20 We encourage them to come early so we can work through  
21 an arrangement in trying to address the situation.

22 In 2006, we counted about 182,000 payment arrangements  
23 that were made, and that has increased in 2007, up to about  
24 106,000 payment arrangements.

25 Just around the payment arrangement, it really is an  
26 extension of the due date, and so we will extend the time a  
27 customer has to pay the bill. We can also section the  
28 amount of the bill, the amount required over an extended

1 period of time, if that would help the customer address the  
2 specific situation.

3 The other option that we have is budget billing. This  
4 is like an equal payment plan, where the annual cost can be  
5 divided up into 12 equal payments. It helps to reduce the  
6 seasonal variation in bills and in costs for customers.

7 Use of external agencies: We've heard about the  
8 social service agencies that are available, and in fact  
9 there's much work that goes on with those agencies when  
10 they're helping our customers, such as agencies like  
11 Ontario Works or the ODSP, United Way, Salvation Army is  
12 another one, and there are also individual community groups  
13 too that are also helping people around the province.  
14 These agencies acquire funding from various sources. It  
15 might be from government, it might be from the United Way,  
16 it might be from some local community fundraising events.  
17 A customer would approach the social service agency and  
18 that agency would qualify the customer for funding should  
19 the customer want help in paying their electricity bill.

20 We estimate there's about 200 groups in the Hydro One  
21 service territory, about 200 of these groups that might be  
22 helping customers. I don't have a specific tracked volume  
23 of the amount of activity that goes on in our call centre,  
24 but we did do a review over one week in the spring, and  
25 there were 48 different agencies that contacted our call  
26 centre to be able to help customers.

27 We estimate there's about 5,000 fax transactions that  
28 go on annually in our call centre, of sharing information,



1 getting consent forms, and probably the equal or double the  
2 amount of phone calls that will come into our centres from  
3 agencies or customers that are working from agencies.

4 The agency will contact the utility to confirm an  
5 outstanding balance and ask for consent. This is an  
6 element of confidentiality. We cannot release information  
7 about the customer to the agency unless we have the consent  
8 of the customer. So there is an action of information  
9 exchange around gaining consent before we can release  
10 information and work with the agency.

11 We have processes in place in our communications  
12 centre to provide quick response to the agencies, and they  
13 are pretty much automated. Faxes and requests get scanned  
14 and get, then, logged to our agents to reply to.

15 We've recently enhanced some processes for further  
16 improvement. We had found agencies saying that they needed  
17 to be able to stop collections activity, if -- to be able  
18 to buy some time or get some time to be able to raise some  
19 funds. And so we've delegated some authority to our agents  
20 in a call centre to do just that, so that we can stop  
21 collection activities, or put it on hold to give the  
22 agencies a chance to be able to co-ordinate for the  
23 customer.

24 There's a program that was introduced a couple of  
25 years ago by the United Way called Winter Warmth. A  
26 utility decides to participate, provides funding to the  
27 United Way, and then the United Way distributes it to those  
28 agencies. Those agencies then allow or distribute the

1 funding to help pay the utility bill. You may hear about  
2 some other LDCs. Hydro One is considering this. We're  
3 hoping that we get approval for it to implement this coming  
4 winter, but some of the larger LDCs in Ontario have  
5 participated in this program the past couple of years.

6 Just a quick note about CDM programs: I don't want to  
7 go through detail on this because I know there was a topic  
8 for CDM later on this week, but there are a few programs in  
9 our CDM portfolio that we participated in that did target  
10 to low-income consumers. For all of them, we partnered  
11 with other agencies and with other groups -- EnerCan, for  
12 example -- that would do home audits and identify homes  
13 that could use some retrofits, and we would provide some of  
14 the funding for retrofits. In this case, they identified  
15 low-income, and it was through their program that they  
16 established the criteria to identify low-income. So this  
17 is an example where if we looked to that agency to be able  
18 to identify the people, then we would know -- then we could  
19 provide the funding to those who had already been  
20 qualified.

21 The OPA ran a low-income pilot a year ago, and  
22 EnviroCentre is here, that ran that pilot for them. Hydro  
23 One did participate in giving some funding to that. And I  
24 understand that that is hopefully part of the OPA's  
25 portfolio going forward.

26 We looked at First Nations and through the EnerGuide  
27 house audits. One of the First Nations was identified as  
28 needing home retrofits, and gave some funding for those

1 home retrofits to be upgraded. And also there was a social  
2 housing program that Hydro One ran, and this was in  
3 association with the Social Housing Services Corporation.  
4 So, again, partnered with another corporation or company to  
5 be able to provide retrofits to social housing and also  
6 information to people who were living in assisted housing.

7 So, just in summary, in conclusion, customers are  
8 accessing options and programs -- they're potentially not  
9 just low-income customers. And there could be lots of  
10 other situations, individual situations of customers in  
11 need.

12 The number of special payment arrangements is growing.  
13 For us, that's an indicator that there's more of an  
14 audience out there of people who do potentially need some  
15 help in this area.

16 High-volume requires automating processes. We've  
17 referenced some of the potential administrative concerns  
18 and activities that may be around some of these processes.  
19 We do have a high volume that's coming through our call  
20 centre at the moment in interactions with social service  
21 agencies. It is automated. And we would look at  
22 automating things as much as we could in some of these  
23 areas.

24 And groups who have established criteria and qualify  
25 low-income status, these groups exist. And in all of the  
26 examples I've been giving you, they're incorporated within  
27 them. And we look to those groups to help us be able to  
28 identify and deliver those programs.

1           Okay.

2           MS. HARE: Thank you. Our next presenter is Debbie  
3 Boukydis from Enbridge Gas Distribution.

4           **PRESENTATION BY MS. BOUKYDIS:**

5           MS. BOUKYDIS: Thank you. Again, my name is Debbie  
6 Boukydis, and I'm the director of public and government  
7 affairs with Enbridge Gas Distribution. We appreciate the  
8 opportunity to provide our submission to the Ontario Energy  
9 Board's consultation on issues relating to low-income  
10 customers.

11          I would like to start with a brief overview of  
12 Enbridge Gas Distribution, including our customer care  
13 approach and the estimated number of low-income customers  
14 in our service area. I'll outline the programs we offer,  
15 focussing on customer care initiatives and highlighting the  
16 agencies we work with as we deliver them. And finally,  
17 I'll turn to the question: Should more be done?

18          By way of background, Enbridge Gas Distribution is  
19 Canada's largest natural gas distribution utility. We  
20 deliver safe and reliable natural gas to 1.9 million  
21 commercial and industry customers in about 100 communities  
22 in Ontario.

23          We've been serving customers for 160 years and in  
24 recent decades have developed expertise in energy  
25 efficiency. It may also be helpful to see how many low-  
26 income households we serve, so we've estimated the number  
27 here.

28          Starting with the number of households in Ontario, we

1 drilled down the households in our franchise area, then to  
2 the number of low-income customers -- households, I'm  
3 sorry.

4 We next estimated the number of owner-occupied low-  
5 income households, since these are households most likely  
6 to pay their own utility bills versus those included in  
7 rent.

8 And finally, we then narrowed that down to households  
9 with natural-gas service, leaving about 104,000 households  
10 in Ontario in our franchise area.

11 Looking at this another way, low-income customers make  
12 up an estimated 6 percent of Enbridge residential  
13 customers.

14 Before I talk about the programs and initiatives we  
15 currently have in place which benefit low-income consumers,  
16 I'd like to share some principles of customer care that can  
17 summarize our approach.

18 Enbridge is caring and supportive in providing  
19 assistance to all customers, and places a priority on  
20 helping customers connect and stay connected to gas  
21 service. We work to balance need of all our customers.

22 On an ongoing basis, we assess customer needs and  
23 develop programs to address these needs. We work to ensure  
24 the quality of our services. We also have an approach that  
25 results in little cross-subsidization across our customer  
26 and rate classes.

27 It is our responsibility to provide safe and reliable  
28 natural gas to our customers, and we also focus on

1 efficient customer care for all of our customers, including  
2 low-income customers.

3       So while we believe that we were doing a lot of our  
4 customers, we decided to benchmark our customer-care  
5 programs and practices against other utilities in North  
6 America to confirm this belief. And we did this for a  
7 couple of reasons.

8       First, our reputation is very important to us, and we  
9 wanted to ensure that we did, in fact, have strong  
10 practices in place for our customers. Doing the right  
11 thing helps to enforce our positive reputation.

12       This is important to our customers. It is also  
13 important to many other stakeholders that we regularly  
14 interact with, including OEB Staff, government  
15 stakeholders, and members of the media.

16       Second, membership is part of our -- measurement is  
17 part of our culture, and we wanted to do our homework  
18 before speaking about our customer practices here and with  
19 others publicly over the course of the year, so we did  
20 retain and decode or conduct a third-party interview of our  
21 practices compared with other utilities.

22       We were pleased to find that most of our customer-care  
23 practices rank above other utilities in both Canada and the  
24 United States. For example, Enbridge's disconnection  
25 policy rates highly in favour of the customer care compared  
26 to other Canadian/American jurisdictions, largely due to  
27 the lengths that we go to, to avoid disconnecting gas  
28 service.

1       Turning to the programs and initiatives we deliver, I  
2   have organized them based on a residential customer-service  
3   model similar to what you've seen this morning.

4       At the top of the pyramid is emergency relief,  
5   followed by assistance, customer support, energy  
6   efficiency, and education. The programs are available to  
7   all of our customers.

8       The programs at the top of the pyramid are accessed  
9   primarily from a small number of customers, whereas those  
10   programs at the bottom are used widely by all of our  
11   customers. The bottom two levels of the pyramid are  
12   important for this discussion, as they focus on sustainable  
13   areas that help prevent customers from moving up the  
14   pyramid to assistance and emergency relief.

15       So starting at the top of the pyramid, we'll look at  
16   emergency relief and a program called Winter Warmth that  
17   Barb just referred to.

18       Enbridge initiated the Winter Warmth with the United  
19   Way several years ago. The United Way delivers this  
20   emergency relief program for us, including the income  
21   screening.

22       The program offers direct financial assistance to help  
23   low-income families living below -- at or below the poverty  
24   line, who are having difficulty paying their bills.

25       Households can receive a one-time grant of \$450 per  
26   year if they meet criteria such as the level of their  
27   income, and this is based on geography and the number of  
28   people in the household.

1           Customers are informed about the Winter Warmth fund in  
2 a couple of ways. When they call Enbridge and a customer-  
3 service representative learns that a customer can't afford  
4 to pay their gas bill, we then refer them to the Winter  
5 Warmth fund.

6           We also distribute brochures and posters to all  
7 agencies, including those who do not participate in the  
8 program, and including an insert on Winter Warmth in the  
9 bill -- in our bill at the beginning of the heating season.

10          There are two gas and four electric utilities who now  
11 participate in the Winter Warmth fund. Each utility funds  
12 a program in their respective service area, so as a result,  
13 I'll only speak to the program in our service area.

14          In our franchise area last winter, the Winter Warmth  
15 fund helped 700 households. A further 424 households were  
16 assisted through the settlement of the Garland class-action  
17 suit.

18          For those of you not familiar with the settlement, it  
19 states that \$9 million will be invested through the United  
20 Way, with an annual interest rate paid out to the United  
21 Way for use for the Winter Warmth fund.

22          This past year the payout to the Winter Warmth fund  
23 was \$354,000. However, only \$164,000 of that was needed  
24 for emergency relief. The \$200,000 that was not accessed  
25 by the Winter Warmth fund was distributed to United Way  
26 agencies across Ontario for use in general programs and  
27 services, not specifically to energy. In total, the  
28 program helped 1,100 Ontario households in Enbridge's



1 franchise last winter.

2 So given the funds that were remaining last year, a  
3 consultant has been hired by the United Way to determine if  
4 the funds are in fact adequate for emergency relief or if  
5 the criteria needs to be adjusted to help more low-income  
6 customers.

7 Emergency relief is also provided by social agencies  
8 that provide payment directly to Enbridge on customers'  
9 behalf. Our customer-service representatives are trained  
10 to work with our customers to obtain consent to speak with  
11 a social agency. After our representative has spoken to  
12 the agency and confirmed payment, all credit action is  
13 stopped to allow the agency to pay for the customer's bill.

14 And although it crosses into energy efficiency, I'd  
15 like to note that customers who apply to the Winter Warmth  
16 fund are also encouraged to apply for our Enhanced TAPS  
17 energy efficiency program. This includes pipe insulation,  
18 energy-efficient showerheads, aerators for kitchens and  
19 bathrooms, and a free installation of programmable  
20 thermostats for low-income families. These measures  
21 deliver long-term sustainable savings to low-income  
22 customers.

23 As I indicated when I shared our approach to customer  
24 care, we recognize that in some cases low-income customers  
25 may require special assistance. One example of a proactive  
26 policy of assisting low-income customers is our Winter  
27 Hardship program.

28 First, let me state that Enbridge Gas Distribution

1 does not disconnect residential customers for gas service  
2 for non-payment from the end of October through the first  
3 week of April. The Winter Hardship program is designed to  
4 help customers who have had their gas service disconnected,  
5 reconnected, disconnected during that period -- I'm sorry,  
6 disconnected outside of that period.

7 In the months leading up to winter -- that's  
8 October/November -- an Enbridge field officer will visit  
9 all houses that have been logged for non-payment. The  
10 purpose of the visit is to identify hardship customers and  
11 work with them to get their gas reinstated before the  
12 winter.

13 The field officer attempts to speak to all customers  
14 to assess the situation and determine if the residents have  
15 access to a secondary source of heat. The officer will  
16 also ask if there are seniors, children, or disabled people  
17 living in the home. If the officer determines that it is a  
18 hardship situation, contact information is left for social  
19 agencies which may be able to provide assistance.

20 As well, the customer -- and I've listed those social  
21 agencies that we work with on an ongoing basis.

22 As well, the customer is also encouraged to contact  
23 our customer-service representative to develop a payment  
24 plan to have service reinstated. Although not a policy, in  
25 practice, reconnection fees and security deposits are often  
26 waived to get the gas back on for those customers who have  
27 had their service disconnected.

28 Another program example is the Golden Age service.

1 This is an optional program for customers who are 65 years  
2 of age and older, and allows customers to pay their monthly  
3 gas bill after receiving their pension cheque.

4 Program benefits include the removal of late-payment  
5 penalties, as well as special payment arrangements very  
6 similar to those offered to our low-income customers. As  
7 of July 2008, almost 117,000 customers were enrolled in our  
8 Golden Age service.

9 Next down the pyramid, our customer support programs  
10 and initiatives, and I'll speak to those programs that are  
11 relevant to low-income customers, although all customers  
12 can access these programs.

13 Third-party notification is something that we describe  
14 in our bill as a thoughtful service from the utility, and  
15 it's a voluntary program that benefits seniors, the  
16 disabled, those who live alone, or those with health or  
17 language issues.

18 If a customer provides the contact information of a  
19 designated third party, such as a relative, a religious  
20 clergyman, or a friend, we'll contact that third party when  
21 the customer first slips into arrears, to see what action  
22 can be taken on behalf of the customer so that gas service  
23 can be maintained.

24 Payment arrangements: We tell our customers in our  
25 Pipeline newsletter, as well as in our first-time customer  
26 kit, to contact us if they're having any difficulty in  
27 paying their bill, so that we are able to set up payment  
28 arrangements. If the customer is having ongoing

1 difficulties with a bill payment, they are then referred to  
2 a social agency.

3 The budget billing plan, I think everyone's familiar  
4 with. It's an optional plan that helps residential  
5 customers manage the bill through 11 equal instalments.  
6 New customers are automatically signed up to this service  
7 unless they opt out.

8 Disconnection is a last resort. We work with all  
9 customers facing disconnection to try to develop  
10 satisfactory arrangements to enable the outstanding balance  
11 to be eliminated to keep the account current.

12 Notification includes nine steps over 78 days. And  
13 there's no disconnection of a service if a service dispute,  
14 such as the amount of the bill, is being undertaken. And a  
15 customer must reach a \$200 balance, about three months' gas  
16 use, before disconnection. Special payment arrangements  
17 are made for hardship customers, including referral to  
18 social service agencies.

19 Reconnection arrangements, hardship situation allows  
20 for payments to be customized payment plans, which may  
21 include spreading arrears over three- to six-month terms,  
22 signing up for the budget billing plan and an automatic  
23 payment plan, and although not a policy, in practice, the  
24 reconnection fee and security deposit are often waived.

25 In terms of community support, in addition to these  
26 direct activities, Enbridge is an active participant in the  
27 communities we serve, including organizations that are of  
28 value to low-income consumers, such as the United Way.

1 I'm not beginning to go into a lot of detail about  
2 energy efficiency, because this will be discussed with Pat  
3 Squires later on this week, but we do offer a number of  
4 energy efficiency programs to all residential customers,  
5 with several noted in red, specifically targeted at low-  
6 income customers.

7 The last level of the pyramid is education, which is  
8 particularly important to low-income customers. Through  
9 our first-time customer kit, Pipeline newsletter, bill  
10 inserts and our website, we include information about  
11 energy-efficiency programs that are available to assist  
12 customers in reducing and managing gas bills, guidance of  
13 billing options to ensure that gas bills are paid on time,  
14 and programs that are available in case the customer does  
15 run into financial difficulties.

16 We do believe that the utilities can make the most  
17 positive impact by focusing on the bottom two levels, and  
18 that is education and energy efficiency. The bottom two  
19 levels of the pyramid focus on sustainable areas that help  
20 prevent customers from moving up the pyramid in the first  
21 place.

22 Enbridge is doing a lot to assist our customers,  
23 according to the research we commissioned. And in terms of  
24 doing more, we believe that the most effective way to  
25 assist low-income customers is through education and what  
26 we have in place, including energy-efficiency programs.

27 As well, if there was a central body that provided a  
28 coordinated approach to assistance to low-income customers,

1 we could communicate that to our customers and refer them  
2 to it. We could also proactively raise awareness of such a  
3 body through our existing customer communication vehicles  
4 and in our one-to-one contact with low-income customers.  
5 This central body could have contacts for credit  
6 counselling, assistance in coordinating payments to various  
7 utilities, securing funding from existing programs, and  
8 methods to access energy efficiency programs beyond our  
9 utility.

10 We also believe that others have important roles. For  
11 example, social agencies currently income-screen for us and  
12 deliver some program.

13 Government may also have a role, whether it be through  
14 funding emergency relief -- as has been done in other  
15 jurisdictions, such as Nova Scotia -- or playing a  
16 coordinating role, as I have just mentioned, to ensure that  
17 low-income residents can more easily access the patchwork  
18 of programs available through social service agencies.

19 Government can also help to identify low-income  
20 customers.

21 In closing, Enbridge has an estimated 100,000 low-  
22 income customers. We believe we are doing a great deal to  
23 help our customers keep their natural gas on by managing  
24 their cost and reducing their natural gas through energy-  
25 efficiency programs. Any new policies, low-income rates or  
26 cross-subsidies would have to be analyzed within a  
27 framework of an OEB policy.

28 Thank you for the opportunity to share our

1 perspective.

2 MS. HARE: Our next speaker is Mary Todorow from the  
3 Advocacy Centre for Tenants Ontario.

4 MS. TODOROW: Zee Bhanji, who is our LIEN co-  
5 ordinator, is going to start off, and then I will follow.

6 **PRESENTATION BY MS. BHANJI:**

7 MS. BHANJI: Yes. I will start off by giving you a  
8 quick overview of the existing energy assistance programs  
9 that are available in the province, and Mary Todorow will  
10 then take over and give you a snapshot of the various  
11 energy conservation and efficiency programs that exist.

12 Twenty-eight; that's it.

13 I would like to start off by highlighting the gaps.  
14 And I'd like you to keep them in mind over the next few  
15 days, because I think it's really important when discussing  
16 energy assistance programs. And I think it's also  
17 misleading to think that there is a lot of money available  
18 to low-income households, just by the sheer number of  
19 programs that do exist.

20 However, we must keep in mind that there are so many  
21 constraints to accessing these programs. So I'd like to  
22 start off by saying that there is a patchwork of programs  
23 available, and I know it's been echoed all throughout the  
24 day and it's going to keep coming up.

25 What we need is a comprehensive province-wide program.  
26 There are also differing eligibility criteria, application  
27 processes and assistance levels, for example, the emergency  
28 energy fund, which I will discuss in the next slide. In

1 some municipalities, it may only be available to people on  
2 social assistance, in other municipalities it may be  
3 available only to the working poor, and in some it's  
4 available to both. So there's really no uniformity.

5 Energy assistance programs are also not available in  
6 all communities. And they don't always provide enough  
7 money to solve the problems, to clear the arrears.

8 And so that leads to people having to, if they have  
9 the time or the resources, to shop around, and to try and  
10 pool money together from different sources.

11 In some communities, the assistance may be in the form  
12 of a grant or a loan, and with the loan they're sinking  
13 deeper into debt and arrears. And sometimes the funding is  
14 only once in a lifetime.

15 Funds also tend to run out before the heating season  
16 is over. And low-income clients also face barriers to  
17 access in the form -- to access programs in the form of  
18 awareness, lack of information. There's also stigma in  
19 eligibility factors, eligibility confusion. And so what  
20 LIEN has been experiencing is a lot of phone calls from  
21 low-income people who clearly don't know this there are  
22 programs out there, or if they have heard of them, they  
23 don't know how to access them. And so we were trying to do  
24 our best to refer them to these sources. So what we did is  
25 we came up -- we compiled these sheets that we've  
26 circulated, that were e-mailed out to people, that are also  
27 available on our website. And we have one information  
28 sheet that lists the various energy assistance programs



1 that are available in the province. And we have another  
2 one that lists the various energy conservation/efficiency  
3 programs that are available to low-income people.

4 But even for us, keeping track of them is a lot of  
5 work. And it's not as easy as simply going online and  
6 looking for the information. It's a lot more involved than  
7 that. And if it's so difficult for us to find that  
8 information, you can imagine how hard it is for a low-  
9 income person to find the information when they already  
10 have so much else to deal with.

11 I'd like to turn our attention to the energy -- the  
12 Emergency Energy Fund.

13 The Ministry of Community and Social Services  
14 initiated the EEF in 2004 to assist low-income Ontarians,  
15 including those on social assistance, to pay for utility  
16 arrears, security deposits, reconnection costs, and for all  
17 forms of energy.

18 Municipalities deliver this program directly or  
19 through contracted third-party service providers. Each  
20 municipality sets its own eligibility criteria. So no  
21 provincial guidelines are provided. Universal criteria,  
22 equitable access, accessibility, none of those are really a  
23 requirement. So it's going to differ everywhere you go.

24 The money that's available is \$2 million. It was  
25 announced in 2004. It was renewed in 2005, and then  
26 annualized beyond that. There was a one-time doubling of  
27 the fund in 2006 to \$4.2 million. Sounds like a lot of  
28 money. But again awareness of the program's availability

1 and accessibility has been a challenge for low-income  
2 households and communities across the province. And LIEN  
3 has been working with COMSOC trying to track the spending.  
4 And we're surprised to discover that oftentimes there's a  
5 surplus at the end of the year, and so we're wondering, if  
6 the need is so great, why haven't more communities  
7 exhausted the funding? And it all boils down to lack of  
8 information. People don't know it's out there.

9       They either have heard about it but they don't know  
10 how to access it, who to go to, or they've never heard  
11 about it at all.

12       And so what we need is a permanent, adequately funded,  
13 accessible Emergency Energy Fund. We need there to be  
14 equitable access. We need to establish a system that's  
15 proactive, and not reactive.

16       So just a few other programs that do exist: There's a  
17 shelter allowance which is available to people on social  
18 assistance. We also have the community start-up and  
19 maintenance benefit, which was also mentioned earlier  
20 today. However, the problem with that is it's available  
21 once every two years. So that's not adequate.

22       We have discretionary benefits, again, available to  
23 people on social assistance. We have other programs by  
24 Share the Warmth, Winter Warmth, other charitable groups.  
25 Some of these programs are utility-funded, some are funded  
26 by donations, some are funded by a combination of both.

27       And again, you know, a lot of things were covered in  
28 the Concentric Energy Advisors report. They're also

1 available on the LIEN website. But it's just not enough.

2 **PRESENTATION BY MS. TODOROW:**

3 MS. TODOROW: And I know we're going to be dealing  
4 with low-income DSM and CDM later on under another topic,  
5 but it asks for any other assistance programs, so I'm just  
6 going to do just a quick snapshot.

7 And I wanted to keep track, because we're out there,  
8 and we're -- you know, as you saw in the pyramid, our main  
9 emphasis is on sustainable reductions in energy use,  
10 because we want to do this in a way that's going to fight  
11 climate change, et cetera, so we're quite interested in  
12 keeping track of how many programs were being announced and  
13 how many were being served and how much money was being  
14 allocated to these programs.

15 So this was just a snapshot, and Enbridge and Union  
16 Gas, they've got low-income DSM program spending over the  
17 next three years, 2008 to 2010 -- '8, '9, '10, 2007, 2009  
18 --

19 THE REPORTER: I'm sorry, could you slow down a little  
20 bit?

21 MS. TODOROW: Yes, I will.

22 And you've been hearing from them about the components  
23 of their programs, and they have TAPS programs, and they  
24 have weatherization programs that they're involved in, in  
25 pilots. You'll be hearing about those.

26 There was also the local distribution companies. They  
27 were allowed to file plans on CDM spending and have it  
28 reflected in the rates, and that was, again, three-year

1 spending. I haven't been able to get a final tally on what  
2 exactly was spent, because I know in the first year we had  
3 -- there were first-year annual reports that were filed,  
4 and we had a staff person come to our LIEN conference in  
5 Peterborough in 2007 -- '6, '7, and give us a summary. And  
6 I would really appreciate being able to find out exactly  
7 how much was spent in those three years on the programs.

8 OPA is doing -- was doing a social housing program.  
9 They did a Phase I that was following up on the energy  
10 audits that were conducted by -- it was called Green Light.  
11 Now it's called GLOBE.

12 The OPA did the energy-efficiency assistance for  
13 House's pilot program, and they've got an RFP now issued to  
14 expand that program province-wide, and wonderful learnings  
15 from the pilots.

16 And there was also an enhancement to the affordable  
17 housing program to \$850 per unit for the new housing that  
18 was being built to make it more energy efficient. So that  
19 was a total of just over \$33 million.

20 And there's an RFP that's been issued from the OPA for  
21 a multi-family buildings program. And that's going to  
22 include the condo sector, social housing, and the private  
23 rental sector, and we're afraid that maybe the low-income  
24 households may be lost in the mix there, and we're waiting  
25 to see what happens with that.

26 These were the utilities that had participated in low-  
27 income programs, because the OEB had encouraged LDCs to set  
28 up low-income programs, but it wasn't mandatory.

1       And we were very pleased to see that there were some  
2   low-income programs, and we actually developed a template,  
3   and it was piloted by Brantford. It was in the first year  
4   of the low-income CDM.

5       And the OPA now is the, I think, go-to agency where  
6   LDCs apply for funding for CDM. And at the end of the  
7   three-year tranche funding, we didn't want to drop the ball  
8   on energy conservation, so the OPA did a fund of \$40  
9   million. They had either programs in the box, or LDCs  
10   could apply for programs locally, and I don't think anyone  
11   has applied yet for a low-income program out of that \$400  
12   million.

13       Social Housing Services Corporation, you heard a  
14   presentation this morning. They are very motivated, in  
15   terms of controlling their energy costs, and they're very  
16   aware of the vulnerability of their residents. And they  
17   have been -- they did audits early on that identified, just  
18   out of 5,000 units -- and they have a portfolio of 267,000  
19   --they did an energy audit in 5,000 units and there was  
20   \$17.5 million that was identified out of that unit. I  
21   think a lot of that was lighting and appliance replacement.

22       There's discretionary benefits. Again, it's  
23   discretionary for OW and ODSP recipients to pay for pre-  
24   approved low-cost energy conservation measures, but that's  
25   \$50. That could buy you some weather-stripping and some  
26   CFL bulbs, insulating pipes. We're hoping to get deeper  
27   reductions than \$50 worth of -- in a kit.

28       The Federal Government had a low-income energy

1 program. We were very happy when that was announced.  
2 Unfortunately, it was cancelled, and it created problems  
3 for Hydro One's program, because they had made arrangements  
4 to deliver it through the infrastructure that was being set  
5 up to do the federal EnerGuide program, and that was  
6 cancelled in spring of 2006.

7 There was -- the program where you got a rebate was  
8 reinstated by the Federal Government in January, but it  
9 doesn't help low-income people, because they can't put up  
10 any money for these -- to pay for those types of measures.

11 And in terms of consumer protection, I have to update  
12 this. It's actually Part 13 of the Residential Tenancies  
13 Act. It was Part 8 of the Tenant Protection Act.

14 Municipalities can pay -- can pass vital services bylaws.

15 And I work with the community legal clinic system.  
16 And this has been a continuous issue since I've worked for  
17 seven years with ACTO, and this is where tenants pay for  
18 the utilities in their rent, but the landlord has defaulted  
19 on the bill. And what happens is, the cutoff happens in  
20 the multi-residential building, and the people are left  
21 without electricity or gas services.

22 So only a handful of municipalities have actually  
23 passed these bylaws. I try to keep track of them. I think  
24 we have one, two, three, four, five, six, seven, eight,  
25 nine, ten -- ten so far that have passed those bylaws in  
26 the province.

27 What that allows is the municipalities can step in and  
28 make sure the service is maintained while they pursue

1 payment, but just that the residents who have actually paid  
2 for the utilities are not disadvantaged during that dispute  
3 period.

4 And a private Member's bill was introduced in the  
5 Ontario Legislature. It died in the order papers -- on the  
6 order paper when the House was prorogued for the last  
7 Provincial election. And that would have actually provided  
8 for the Provincial Government to step in when there's no  
9 vital -- municipal vital services bylaw.

10 And actually, I thought this was helpful. I would ask  
11 the municipalities to file their vital services bylaw,  
12 because the only reason I find out about these is I hear  
13 about them from the clinic system. I didn't even realize  
14 that a couple -- three more municipalities had actually  
15 passed them, because one of our utilities -- one of our  
16 clinics was very active with a local county, and they were  
17 just passed in the last four or five months.

18 And that's it for now.

19 MS. HARE: And our last speaker on this topic is Dana  
20 Silk from EnviroCentre.

21 **PRESENTATION BY DR. SILK:**

22 DR. SILK: Thank you.

23 Are there programs in place now to assist low-income  
24 consumers? Yes. We've heard quite a lot about them. I  
25 think we've heard just about everything.

26 The point I would like to make is, the most common is  
27 for low-income households benefiting from ODSP in Ontario.  
28 But it's only \$50, as was pointed out.

1 In Ottawa, we have worked with the employment -- thank  
2 you. Whoops. Keep going? I've got 128 pages.

3 MS. McCLENAGHAN: There's an escape button at the top.

4 DR. SILK: Escape button?

5 Okay. Well, I can keep talking while that's...

6 [Technical difficulties with slide presentation.]

7 MS. McCLENAGHAN: We'll find it, Dana.

8 DR. SILK: No, it's okay.

9 In Ottawa, we have worked with the City of Ottawa, the  
10 employment and financial assistance branch, and with  
11 recipients of Ontario Works, and we've managed to get the  
12 investment up to \$150 per household, which is better than  
13 50, but still not very substantial.

14 We've also worked, as you've now heard, with Enbridge,  
15 Hydro One, and the OPA on a more substantive program which  
16 invests on average about \$1,500 in weatherization upgrades,  
17 which have generated some actual results. It's a pretty  
18 good basis.

19 But it's our belief that only about a thousand  
20 households in Ontario have benefited from about \$1,500  
21 worth of weatherization upgrades. A thousand. And I'm not  
22 even so sure that it's up to a thousand.

23 Sorry?

24 MS. McCLENAGHAN: Can you speak a little louder?

25 DR. SILK: I'm sorry.

26 And what I think you have to compare that to --  
27 because we keep hearing about, you know, some problems that  
28 people have with subsidizing low-income households, which I



1 don't really think is the issue. What we have to look at  
2 are -- is the program, for example, in Ontario. 130,000  
3 households have benefited in one way or another from the  
4 federal EnerGuide for Houses program, and now the  
5 federal/provincial EcoENERGY program, which gives up to  
6 \$10,000, half of which is coming from the Province of  
7 Ontario.

8       So these households, middle- to upper-income  
9 households, that can afford to install a 4,000 or \$5,000  
10 high-efficiency furnace, are now eligible to be getting up  
11 to \$10,000. So I think when you hear comments about  
12 subsidizing low-income families with \$50 here and \$150  
13 there, they have to be taken into the context of to what  
14 extent are we subsidizing middle and upper-income families.

15       One of the issues as well with the EcoENERGY program  
16 in Ontario is that many of the recipients of this money are  
17 basically free riders. They're almost double dipping.  
18 Many of the furnaces that are being installed could have  
19 been bought in UA. Industry sources indicate that over 90  
20 percent of the high-efficiency furnaces going in these days  
21 would have gone in without a subsidy because people realize  
22 that it makes sense to put in a high-efficiency furnace.

23       Some of them have already been made mandatory for new  
24 homes. The Provincial Government made high-efficiency  
25 furnaces mandatory for new homes about two years ago, and  
26 they should have been made mandatory for existing homes in  
27 the 2006 Ontario Energy Efficiency Act, but they weren't.  
28 So the Province is clearly subsidizing middle and upper-

1 income households far more than low-income households. In  
2 fact, if the Board were to agree with some of the  
3 recommendations that we're making, which we think could  
4 benefit low-income households by perhaps 150 to \$200 per  
5 year, that would have to be compared with the average  
6 EcoENERGY grant in Ontario -- and that's just the average  
7 -- of about \$1,500 a year. So we think there are some  
8 serious discrepancies there in the energy subsidies of  
9 households, both low-income and middle-income.

10 In terms of are there organizations that co-ordinate  
11 work with utilities, obviously, yes. We've heard quite a  
12 bit about that. Unfortunately, it's our belief that many  
13 of these programs fail to deliver in the long-term, partly  
14 because of their charitable approach to this. There's also  
15 a slightly religious approach to this. And this tends to  
16 treat some low-income clients either as people to pity,  
17 from a charitable sense, if not souls to save. We would  
18 argue that in a secular society, perhaps that's not the  
19 best approach to take.

20 Part of the problem, again, we've heard some comments  
21 about Winter Warmth. It sounds like a good program, but  
22 it's really treating the symptom, not the disease, when  
23 you're not really helping people invest in energy  
24 efficiency measures, you're just paying off the bills that  
25 they owe to the utilities.

26 In terms of what more, if anything, needs to be done,  
27 clearly the OPA and numerous utilities operating in Ontario  
28 have already identified widely accepted social benefit

1 programs, such as ODSP, Ontario Works, and of course  
2 there's also Statistics Canada's low-income cutoff rates.  
3 And these are widely accepted ways in which low-income  
4 households can be identified and qualified to receive these  
5 programs.

6 So I think a lot of the argument about: Oh, we can't  
7 figure out how to do this, that's already been done at the  
8 actual working level.

9 Thank you.

10 MS. HARE: Open up the floor to questions and  
11 comments. I think, Alison, you have a question?

12 MS. CAZALET: We heard from Hydro One and Enbridge  
13 about the programs that they already have, in terms of  
14 things like budget billing plans and working with customers  
15 to avoid disconnections, and I'm curious, I guess, from  
16 this group up here. We've heard about the programs that  
17 are already there. What specifically is missing? And  
18 maybe also your opinion on whether you think the programs  
19 that already exist are good, and if they work, and what  
20 else specifically is needed in addition to those, or maybe  
21 instead of those?

22 MS. TODOROW: Well, I thought that was our first  
23 slide, talking about the gaps, that it's not available in  
24 all communities, for one thing. I mean, there's the  
25 provincial EEF, which is, there's an amount that's  
26 allocated to each municipality for delivery. And we do  
27 hear about the funds being exhausted before the end of the  
28 heating season, but in other ones where they haven't been

1 exhausted. So there's just inequity in terms of access,  
2 whether the funds are actually going to be there to pay at  
3 the end of the heating season for the people who need the  
4 funds. That you can't clear -- like, the EEF, it was --  
5 they changed the criteria to make it so that at one point  
6 it would only -- the grand maximum was two months' worth of  
7 energy arrears. But they've actually done it to clear  
8 whatever is required to maintain or to connect the service.  
9 So there was a program fix that was in place because of  
10 that.

11 But the issue is that it depends on where you're  
12 living if you're going to be able to clear your arrears, if  
13 there's going to be money available, if you know about it.

14 The other thing is the discretionary aspect of some of  
15 this. The practices Debbie was talking about, it's not  
16 mandatory, but that there were those issues you talked  
17 about that we will waive a late payment fee in some cases.  
18 Who makes that decision? Is the person, the customer  
19 service rep or are you lucky enough to speak to a  
20 supervisor who will make that happen? I don't know what  
21 the whole hierarchy is on that.

22 DR. SILK: Dana Silk for EnviroCentre.

23 I would just like to reiterate the answer, reinforce  
24 the comments that Mary Todorow has made. Part of the  
25 problem, certainly with disconnection fees, it appears, I  
26 think, that Enbridge has a very good corporate policy of  
27 not doing that during the winter, but I do believe that  
28 it's a voluntary policy and it is certainly not policy of

1 at least some LDCs, including some, I think, of the larger  
2 LDCs, that currently in Ontario can disconnect anybody for  
3 that matter, low-income or middle-income or high-income,  
4 with electric heat during the heating season, which in what  
5 I'd like to refer to as more civilized countries you simply  
6 cannot do that because of health and safety issues. But  
7 again, it's left up to the discretion of LDCs, and I do  
8 believe that this is in the mandate of the Board, I hope.

9 MS. HARE: Bill.

10 MS. TODOROW: Can I just put in one more comment?  
11 In terms of the emergency energy fund, one thing it pays  
12 for is security deposits. And LIEN and ACTO have come to  
13 the OEB and asked for complete exemptions for security  
14 deposits for low-income consumers. It's something we're  
15 going to be talking about again later on in the  
16 consultation. And the EEF pays for the security deposits,  
17 but that just sits there in an account for a year, and then  
18 it's returned if there's a good payment history. But that  
19 money could be used to actually clear arrears rather than  
20 just sitting in an account just in case you go into arrears  
21 afterwards. So there are ways to improve the access to  
22 Emergency Energy funds. And I was quite taken with the  
23 comment from the Hydro One representative about making sure  
24 money is directed to the greatest need and not spent on  
25 administrative costs or doing best practices. And I think  
26 that's a really good point. Anything we can do to make  
27 this more efficient and make sure that the money is being  
28 used to keep the service on, I'm all for it.

1           MR. DUFTON: I just wanted to comment on a number of  
2 things. One that Mary mentioned when we were talking gaps,  
3 and I think you used the term patchwork of programs. Our  
4 experience has been that simultaneously running a program  
5 for Hydro One, PowerStream, Toronto Hydro, the OPA, ENERCAN  
6 times 2, CMHC, and helping Enbridge and Union with their  
7 programs, it's very, very -- from an administrative  
8 perspective -- different forms for all our groups to fill  
9 out, different application processes. It is quite daunting  
10 for groups that don't have the support. We were able to  
11 provide the support, thank heavens for them.

12           And just commenting on another point that was brought  
13 up with respect to some of the numbers that were quoted  
14 with respect to the LDCs and operating in the social  
15 housing area, we work successfully with those ones I've  
16 mentioned. And it was our impression, until today,  
17 perhaps, that all our groups, all our LDCs that we worked  
18 with wanted to be front and centre, wanted to be managing  
19 the customer relationship, and wanted to have it their  
20 program -- and I know that's a conversation for another  
21 day.

22           But once again, I'm just stressing the complexity of  
23 the program, especially a proactive program like energy  
24 retrofits. The OPA program, there was an enormous  
25 commitment by them with respect to lending money as well as  
26 retrofit backstops. And I think it's just -- I think  
27 people just get overwhelmed with all the requirements that  
28 they have to jump through.

1           So that program, we weren't able to realize its full  
2 potential either. So it's just complicated.

3           MR. MONDROW: Thank you. Ian Mondrow, counsel for  
4 IGUA. Mary, you and your colleague in one of your early  
5 slides, I think, were attempting to make, among a number of  
6 points, one point that it's very difficult for consumers  
7 who may need assistance to figure out where to go for what  
8 purpose. And your organization has done a lot of work to  
9 try to help in that respect.

10          And so my question is whether you think, in light of  
11 your efforts, that is a function that might usefully be  
12 picked up and taken over by someone else, whether it's the  
13 Board or the utilities or a cooperative from among them;  
14 that is, an information -- an entity or a party or a group  
15 responsible for gathering information on all the available  
16 programs and providing a one-stop portal or one-stop  
17 information service for consumers seeking that assistance,  
18 or do you think that your efforts have effectively done  
19 that?

20          MS. TODOROW: Have effectively?

21          MR. MONDROW: Done that, provided the scope of  
22 information that would be most helpful and the ability to -  
23 - assistance with weeding through that information.

24          MS. TODOROW: Oh, no. I mean, that list, we provided  
25 that list because I was getting -- community legal clinics  
26 were calling me and had no idea where they could go for  
27 help. And that is not a substitute for what's really  
28 needed.

1           And I think what you're talking about is perhaps a  
2 one-window approach, so that there would be local access,  
3 but people would know, this is where you would go for help.

4           And ideally, everything would be -- everything would  
5 be addressed. Like, if you needed low-income energy  
6 assistance, like, to pay your arrears. The next question  
7 is: What are you doing with energy use in your house?  
8 Where do you live? How well insulated is it, you know?  
9 What I would like to see is a comprehensive approach --  
10 this is what we talk about -- a holistic, comprehensive  
11 approach, so that when you're having trouble with arrears -  
12 - like, what we want to do is make this a sustainable  
13 solution to energy poverty.

14           What we want to do is make sure that it's not just the  
15 reactive arrears problem that is dealt with. We want to  
16 look at: What are you doing with your energy use? Let's  
17 make sure you're getting education. Have you had your  
18 house retrofitted? Have you got new showerheads? Have you  
19 got the tap aerators? Do you need a more energy-efficient  
20 furnace? Can we do an energy-saver fridge? All of that --  
21 all of those programs, it should be a one-stop energy  
22 level, and then -- to make sure that everyone has equitable  
23 access to whatever is available out there.

24           MR. MONDROW: Do you have a sense or a suggestion of  
25 where that shop may be most appropriately set up?

26           MS. TODOROW: I can't recommend anything right now. I  
27 think, as I said, there's a lot of brainpower in here, and  
28 I would like to work with all of the stakeholders.



1           And, you know, Dana made the point that we're a bit  
2 behind other jurisdictions. And that's -- there's a good  
3 and bad aspect to that. We can learn from other  
4 jurisdictions.

5           And actually, I found this -- the fact that this  
6 consultation was announced was a wonderful opportunity to  
7 look at what's being done in other jurisdictions and do it  
8 better, be a model for other jurisdictions. Even though  
9 we're a latecomer, we could be a really good latecomer.

10          MR. WETSTON: Marika? I'm not posing this as much as  
11 a question, but at the OEA last week I surfaced some  
12 thoughts about focusing on the consumer over the next  
13 couple of years, and I aired that view, because I felt it  
14 was really important for the Board to start thinking more  
15 at the grassroots level about the consumer and what we are  
16 doing to educate consumers.

17          Now, admittedly --

18          MS. HARE: Excuse me, your mic is not on.

19          MR. WETSTON: It's on. It's on. I thought it was on.  
20 Is it on?

21          I'm going to change this system, I'll tell you right  
22 now. [Laughter.] So get ready for some work.

23          Can you hear me? Okay. Let me try this again. This  
24 is a test. What did I say already? I'm just kidding.

25          I talked last week, because we have been giving a lot  
26 of thought to this at the Board, and one of the things that  
27 we're going to try and do is, we're going to try and spend  
28 more time in the next number of months thinking about how

1 we can communicate with the consumer more effectively.

2 You know, you can talk about programs, but education  
3 is really important. And when you look at government, when  
4 you look at the IESO and the OPA and the Crown corporations  
5 and the Ministry and the OEB, there are a lot of potential  
6 sources of information to the public.

7 And at the end of the day, in the energy sector, the  
8 customer is paying for everything. So basically, we  
9 understand that.

10 This process here is focusing on the low-income  
11 consumer, which obviously is an important part of  
12 information to the public. And I guess, in thinking about  
13 this, we have been giving thought, and we will continue to  
14 give thought, to how we can communicate more effectively  
15 with the public about everything from energy-related rights  
16 through to what it is exactly that consumers are paying for  
17 and why.

18 You have indicated here today some notion that price  
19 increases are likely to occur. And obviously, for that to  
20 be accepted by the public, not only might they have to pay,  
21 but they have to understand why they're paying.

22 And we all realize once again -- I'm saying this very  
23 generally, and I hope you'll agree with me -- that for the  
24 low-income consumer that we're focusing on today, there are  
25 additional issues associated with that group.

26 And so when you talk about some place, which I don't  
27 have in my mind, that can be able to present this  
28 information in a way that you're discussing, I think it's

1 important to keep in mind that we at the Board are going to  
2 be focusing on enhancing our own ability to be able to  
3 communicate to the public.

4 And frankly, LDCs have said to me: Well, we want to  
5 maintain that interface. Well, that's just not good  
6 enough. From my perspective, they should maintain that  
7 interface. That's an important responsibility.

8 But we, as a government agency, also have that  
9 responsibility. And we have to take very seriously the  
10 notion of whether or not the public, the consumer, really  
11 understands, and do they have this kind of information that  
12 they really need.

13 And I say that in the context of whether or not there  
14 are special needs for low-income consumers. You know, when  
15 people say to me: Well, use the Internet, we all know  
16 where that may go with certain members of the Ontario  
17 public. Not very effective at all.

18 So I just want to address this issue and ask for your  
19 thoughts and whether you see the OEB as having any role in  
20 that, a deliverer of information, not just programs,  
21 information to the public, so that they understand more  
22 fully emergency programs, for example, or whatever might be  
23 available.

24 Any thoughts on that from anybody?

25 MS. McCLENAGHAN: From LIEN's perspective --

26 MR. WETSTON: Other than Julie. I'm just kidding.

27 MS. McCLENAGHAN: We would welcome that, Mr. Wetston,  
28 because, you know, the question that Ian asked is whether

1 LIEN's own efforts suffice. Well, we need to understand  
2 that LIEN is simply a cooperative, voluntary organization  
3 with no, you know, independent corporate existence, of a  
4 bunch of organizations that have day jobs. And, you know,  
5 we do our best to provide this kind of information and to  
6 coordinate across all of our various areas of enterprise.

7 But the kind of thing you're talking about is much  
8 more long-term and sustainable, in terms of a way to get  
9 information to the public, and that would be very  
10 appropriate, in our view.

11 MR. MONDROW: And also -- it also seems to me that  
12 there may be a case that could be made for taking  
13 administrative efforts by various -- both agencies and  
14 utilities, to collect this information and help consumers  
15 access the information on the one hand, versus funding a  
16 more central effort on the other hand, and that the latter  
17 may well be more cost-effective and therefore more able to  
18 deliver perhaps even a more hands-on case-worker type role  
19 that would actually help people not only find out where to  
20 file an application, but ask them about what energy-  
21 efficiency issues they've looked at and -- as Mary  
22 suggested -- maybe go a little bit beyond simply pointing  
23 them in a direction.

24 So I think that's something that's worth thinking  
25 about.

26 MS. HARE: Vince?

27 MR. DeROSE: Vince DeRose, counsel for the Canadian  
28 Manufacturers & Exporters.

1 Just to follow up on the last point -- I guess this  
2 question is for Mary. The question is for you.

3 MS. TODOROW: I'm sorry? Pardon me?

4 MR. DeROSE: Just following up on -- Ian's just  
5 mentioned the possibility of a central agency that delivers  
6 on a comprehensive province-wide basis an energy program.  
7 And that, when I read your list of gaps on your page 28, it  
8 sort of jumped out to me that the patchwork that you  
9 describe and the fact that certain municipalities do  
10 certain things and others don't, the solution that  
11 immediately jumped to my mind was a central agency that  
12 takes full custody for the entire program.

13 Is that something that you have turned your mind to,  
14 and have you assessed the pros and cons of a central agency  
15 approach?

16 MS. TODOROW: No, haven't done that. But I can tell  
17 you there's issues of responding to local -- we want  
18 equitable access, but people may have issues that are  
19 regional as well. Like, in the rural areas you're going to  
20 find more people who are in oil, maybe using wood, et  
21 cetera, propane.

22 And we have -- when we talk about this one-window  
23 access approach, what we hear from agencies like, say,  
24 housing help centres or rent banks or groups like that who  
25 are working on various fronts, housing and energy arrears,  
26 et cetera, is that people trust their local agencies. So I  
27 can see that there might be a co-ordinating -- that they  
28 would help with the intake and that there maybe -- and

1 giving all the information to the clients. But what you're  
2 talking about is something that would probably be in a  
3 consultant's paper, and we haven't done that right now.

4 But what we see is all the gaps out there. There is  
5 the issue of local response or responding to local  
6 conditions, but making sure that everybody does have access  
7 to the same level of funding, that there is consistency in  
8 the way it's being offered, that the criteria's consistent,  
9 et cetera.

10 So I don't have the answer to this right now. But  
11 give us some time; we could probably respond to you.

12 MR. MONDROW: Marika, if I could just -- it's Ian  
13 Mondrow, just to jump in for a minute. Not to derogate at  
14 all from Vince's suggestion, but I wasn't actually  
15 suggesting an agency to assume a mega-program. Rather,  
16 what I was thinking maybe about was a step in that  
17 direction, which is a place where information could be  
18 cost-effectively -- from an administrative perspective --  
19 collected and provided through whatever means of access,  
20 you know, drop-in, telephone, internet, whatever was  
21 available to people that needed that information, which I  
22 think is something short of an overall program  
23 that is ministered by a new agency.

24 Rather, it was the informational process, but perhaps  
25 even a bit more proactive, to not only provide the  
26 checklist of information but some guidance at the same  
27 time. So there's a range of issues, and I just wanted to  
28 be clear about what I was thinking, and I'll think about

1 what Vince DeRose has suggested as well, and as we all  
2 will. Thanks.

3 MS. HARE: Jim, did you have something?

4 MR. GRUENBAUER: Yes, thank you, Marika. Jim  
5 Gruenbauer, City of Kitchener.

6 I just wanted to respond to the Chairman's question  
7 about information and the Board becoming more involved in  
8 communicating directly with customers. Many years ago when  
9 we worked at Consumers Gas, I came across Dr. Jean Burns,  
10 who's a fairly well known communications expert. And her  
11 thesis is there's an element of persuasion in all  
12 communications, and I think the advantage that the Board  
13 brings in building trust with communications is an  
14 impartiality -- or a neutrality, at least -- it should --  
15 real and perceived. Because all of the other participants  
16 in the marketplace right across the broad spectrum of  
17 whoever you are, you have some interest that you're trying  
18 to promote. Okay? And I'm not saying that that  
19 necessarily taints it, but as I say, none of us here, I  
20 think, can state we are impartial when we are talking to  
21 customers. To some extent we always have a little bit of  
22 an axe to grind. And I think that the Board is in the best  
23 position, probably, of any of us in the marketplace to say:  
24 We're being as impartial as we can be. And that's going to  
25 be helpful to the customers. And that's just my opinion.

26 MS. HARE: Mary.

27 MS. TODOROW: I would just like to reiterate what that  
28 last speaker has just said, and in particular regarding the

1 OEB's -- the Choice is Yours campaign, which I thought was  
2 an excellent initiative, and particularly for the clientele  
3 of the community legal clinics, because they are faced on  
4 an ongoing basis -- and I got a couple of e-mails even this  
5 week about what to do with someone who has unwisely,  
6 inadvertently, not knowing all the implications, signed an  
7 energy contract. They didn't know what to do about the  
8 penalty fee cancellation. And I have to give kudos to the  
9 OEB for doing the outreach. Energy communications, talking  
10 to the people doing the case work, posting the material on  
11 the internet.

12 If you've got English as a second language, if you're  
13 a senior, all the more seniors are getting on line, but  
14 this, I thought, was an excellent outreach, and I  
15 understand there's a Phase II being planned right now. And  
16 considering prices rising, consumers out there wondering  
17 what they can do about it, the more information people have  
18 about what they truly are getting into with these  
19 contracts, the better.

20 And the impartiality and the neutrality of the OEB to  
21 do this type of campaign is excellent.

22 MR. WETSTON: Let me just try to respond, if I may,  
23 just so that people are aware of what we're trying to do.

24 It's not a full answer, obviously, but we are  
25 developing a micro-site within our site which goes beyond  
26 the energy Choice is Yours. And it will deal with a larger  
27 range of issues associated with energy and consumers. And  
28 we're in the process of developing that. And we're going



1 to continue to do what we did with you when you talked  
2 about attending some of these particular sessions, so that  
3 we could provide some advice or information about some of  
4 the work that we do.

5 So we're continuing to do that.

6 I mean, I think it's important that we do it, because  
7 I think the time is right for that, given what's going on.  
8 If there has been a change in circumstances, the time is  
9 ripe to ensure that the public understands what those  
10 changes are, I think.

11 DR. SILK: You're absolutely right, of course, about  
12 the change in circumstances, the need to communicate these  
13 energy-related issues, and particularly what consumers are  
14 paying for, and to that I would ask -- and what consumers  
15 are not paying for, because that's one of the sort of big  
16 elephants that's in the room, but we're not paying  
17 attention to it. And I would suggest to the Board, perhaps  
18 if you're going to go out and do more public education, to  
19 also ensure that these issues are fully communicated to the  
20 Minister of Energy and the Minister of Finance, if not the  
21 Minister of Environment and Community and Social Services,  
22 because they need to better understand how some of their  
23 decisions impact your ability to regulate rates in the  
24 public interest.

25 MS. HARE: Other questions?

26 I have a question for Hydro One. You've described a  
27 number of your programs, and maybe this is -- maybe you're  
28 not in a position to answer this. But how typical do you

1 think what you're doing is with the other, you know, 83  
2 distributors that we have in the province?

3 MS. BOUKYDIS: From what I know of the other  
4 electricity distributors in the province, fairly typical.  
5 We heard some of the Enbridge programs, which have -- are  
6 more of a step in focussing on low-income. I haven't seen  
7 that yet in the electricity distributors. So the idea  
8 about having the payment arrangements that can be made,  
9 working with social service agencies, budget billing and  
10 those sorts of things, yes, I think that's fairly typical  
11 for most distributors in the province.

12 MS. HARE: And just for Enbridge, aside from the  
13 Garland funds, when Winter Warmth, and Share the Warmth,  
14 the monies for those programs were included in your revenue  
15 requirement?

16 MS. BOUKYDIS: That's right. It's \$300,000.

17 MR. KAISER: I have one question, I think, Marika, to  
18 The -- And I think it was the representative from Enbridge.  
19 Just following up on what Marika was suggesting.

20 The fact that there was \$200,000 left over from what  
21 you could have taken, I take it the Garland fund of \$9  
22 million or whatever threw off \$325,000 for your use this  
23 year in Winter Warmth. And you only used a hundred-odd  
24 thousand of that. Does that tell us something about the  
25 demand for these programs?

26 MS. BOUKYDIS: Well, it's interesting. When we just -  
27 - before we had access to the Garland funds, with just the  
28 money that we had, we put in ourselves \$300,000 to benefit

1 customers; we did not go through all those dollars. And  
2 you could question whether or not the criteria's correct or  
3 whatever it is, but we didn't go through those amount of  
4 dollars.

5 And the amount that you just said, it was \$364,000  
6 that we had access to. And there is the \$200,000 left  
7 over.

8 The Winter Warmth did hire a consultant, as I said,  
9 and they're looking at the programs and the criteria to see  
10 what it is. But it's an interesting question. Because the  
11 dollars are there, we communicated through our bill. We  
12 communicated -- we send information to all the agencies and  
13 to all the Mops and municipal councillors in our franchise  
14 area to try to get the information out about this, but the  
15 dollars are just not accessed.

16 MR. KAISER: And what are the criteria to access the  
17 Winter Warmth program currently?

18 MS. BOUKYDIS: Typically it would be a family of four  
19 people living in the City of Toronto, making \$30,000 or  
20 less.

21 MR. KAISER: Thank you.

22 MR. SOMMERVILLE: Just a follow-up question. Did I  
23 understand you to say that your partner in Winter Warmth  
24 does the qualification? They establish the eligibility of  
25 the applicant, if you like, for the program?

26 MS. BOUKYDIS: That's right. So it's transparent to  
27 Enbridge Gas Distribution. We put the money into a fund  
28 and they administer on our behalf. And the Winter Warmth

1 fund has specific agents that do work in the communities.  
2 I believe that in some areas some of the -- it might be  
3 more structured in some of the parts of our franchise area,  
4 but then when a customer goes to them, they do the  
5 financial analysis independent of us, yes.

6 MR. SOMMERVILLE: Thank you.

7 MS. LOPINSKI: It's Jennifer Lopinski from A Place  
8 Called Home.

9 I currently administer the Winter Warmth fund in the  
10 City of Kawartha Lakes, and my personal experience quite  
11 often is that the reason that the funds aren't exhausted  
12 is, for our area, you know, the program doesn't start until  
13 December 1st. And I get it: "Winter Warmth fund."

14 But the problem is, you know, many times low-income  
15 earners, they will struggle all through the winter, hanging  
16 on, trying to pay those bills down. And then by the spring  
17 -- I believe the program ends in April -- that's when  
18 they're, you know, they're exhausted themselves. But at  
19 that point they can't exhaust -- they can't access the  
20 Winter Warmth program at that point, because the program  
21 has closed early.

22 And so, you know, when they actually need the money,  
23 it's not there. We're not allowed to issue it. And that's  
24 been my personal experience.

25 Another is, some clients, there's a lot of incomplete  
26 applications, you know. And I don't think that the  
27 paperwork is really all that difficult, but for some reason  
28 or another, whether it's because low-income earners have

1 more issues going on, perhaps, I don't know, but they  
2 struggle to get, you know, those applications completed.

3 But, again, I think you would find those funds would  
4 be more utilized if the Winter Warmth program was expanded  
5 for a longer period of time, you know, especially, like --  
6 right now in Lindsay, for instance, our furnaces are on.  
7 And, you know, it's not -- we're not going to be able to  
8 access that program until December. I'm already dealing  
9 with gas disconnections already. So you know, that could  
10 be -- that could be one reason.

11 That's all I wanted to add. Hopefully that would be  
12 helpful --

13 MS. HARE: So Debbie, when you spoke about hiring --  
14 sorry, Jennifer.

15 When you spoke about hiring a consultant to look at  
16 the Winter Warmth program, is that consultant addressing  
17 these types of issues?

18 MS. BOUKYDIS: Yes, so it's the Winter Warmth fund who  
19 has hired the consultant. And it was directly because of -  
20 - Mr. Kaiser's question was the fact that there were these  
21 dollars that were left over at the end of the year.

22 So is it a question that people don't need these  
23 funds, or is it the criteria? And I think it's -- that I  
24 think what you've touched on is probably one of the issues.  
25 And it's my understanding that the consultant is going to  
26 be delivering a report to the companies who partner with  
27 the Winter Warmth fund on this by the end of this year.

28 MS. HARE: Dana?

1 DR. SILK: Dana Silk, EnviroCentre.

2 Just to follow up on the Winter Warmth fund, at least  
3 our experience in Ottawa has been, as I indicated earlier,  
4 the big problem with the Winter Warmth fund is, in order to  
5 qualify, or in order to get an application form, you must  
6 have received a cutoff notice.

7 And so -- and it usually happens towards the end of  
8 the winter, because these families have been struggling to  
9 keep up their bills. But they just can't. And so they're  
10 desperate. And so it's not a very proactive approach at  
11 all.

12 And the other -- someone may correct me if I'm wrong -  
13 - but I believe that almost all of the funding that is  
14 allocated to the Winter Warmth fund makes its way back into  
15 utilities.

16 So I believe it's fair to say that the Winter Warmth  
17 fund is kind of like a debt-collection agency for the  
18 utilities. And they do get a lot of good publicity, and  
19 there are some well-intentioned people behind it. But it's  
20 certainly not a solution to the very serious issues that  
21 we're dealing with.

22 And if you think it was unfortunate that \$200,000 was  
23 left on the table for that program in one utility, you  
24 might want to take a look at some of the money that has  
25 been left on the table by some people at the OPA who I hope  
26 aren't hearing me, but there is a problem in Ontario with  
27 delivering and with capacity to deliver these programs.  
28 And a lot of money is currently being left on the table and

1 is not getting out to the people that need it. Hence, our  
2 arguments, my arguments, for more effective regulation of  
3 rates. Clearly, the most efficient way to help most of  
4 these people is better regulation of the rates.

5 MS. HARE: Jennifer?

6 MS. LOPINSKI: Jennifer Lopinski, from A Place Called  
7 Home.

8 Actually, just to provide more clarification, the  
9 Winter Warmth fund actually does not require a  
10 disconnection notice. You can actually get assistance if  
11 you have accumulated arrears, or if you even think that  
12 you're going to be facing arrears, if you think you're  
13 going to perhaps have an operation, you're going to be off  
14 work, you can access that program. But it is the Emergency  
15 Energy Fund that you do require a disconnection notice  
16 before you can access it. Just wanted to offer that.

17 MS. HARE: Colin?

18 MR. McLORG: Thank you, Marika. Just a very quick --  
19 sorry, Colin McClorg for Toronto Hydro.

20 A quick clarification question, if I may, for Mr.  
21 Silk, who unfortunately I can't see, but...

22 DR. SILK: But you can hear.

23 MR. McLORG: Nevertheless, I just was wondering  
24 whether I heard you correctly, if you were thinking that  
25 the disposition of the funds disbursed through Winter  
26 Warmth should be somehow different than it is now. I  
27 thought the intent of that was for the funds ultimately to  
28 make their way back to the utility for repayment of

1 arrears. Did I misunderstand or mishear what you said?

2 DR. SILK: I'm not quite sure what you heard. All I  
3 know is what I said. And what I think I said was that the  
4 Winter Warmth program, I believe it is safe to describe it  
5 as a debt- or arrears-collection agency for the utilities,  
6 and almost all of the money goes back to the utilities.

7 MR. McLORG: Well, that is what I thought I heard.  
8 And so do I take it from the way you're saying that that  
9 you object to that outcome?

10 DR. SILK: Yes, because it's a debt-collection agency  
11 for the utilities. And the utility's taking some risks.  
12 They have, you know, debts with others. I'm not so sure  
13 why this money is not being invested to help the low-income  
14 households get out of the problem that they're in, instead  
15 of just treating the symptom, because it does nothing to  
16 address the long-term issues. It just helps them out  
17 paying off their debts. But the big issue that I do have  
18 is that all of the money just goes back to the utilities.

19 MR. McLORG: Thank you.

20 MR. KAISER: But the long-term issue is that they're  
21 poor. And we can't do anything about that. I mean, the  
22 Winter Warmth is a cash subsidy to help them pay their  
23 bills. And they pay their bills; the money goes back to  
24 the utility. Is there anything wrong with that? It  
25 wouldn't be any different if they had a special rate. It  
26 would be a subsidy to help them pay their bill.

27 DR. SILK: What's wrong with it is that we're spending  
28 a lot of time talking about the Winter Warmth fund in the



1   guise of, this is something that's really helping low-  
2   income households, and it doesn't.

3           If you look at who it helps the most, it helps the  
4   utilities the most. They're getting their debts paid. And  
5   they're getting good PR as a result.

6           The households that really need help aren't getting  
7   the help. They're just going from one problem to another.  
8   In fact, as one of -- somebody else indicated this morning,  
9   a disproportionate number of low-income households now are  
10  forced to move, because that's the only way they can get  
11  out of the debt. They have to move and put the new hydro  
12  account or the new gas account in somebody else's name,  
13  which is an increasingly serious issue.

14          MS. BOUKYDIS: If I could just add, you know, from my  
15  experience with the Winter Warmth fund, it is by no means a  
16  public-relations activity. And despite the fact that  
17  Enbridge does not disconnect customers throughout the  
18  winter, it is a tremendous help, at least from my  
19  understanding, what I have heard, to at least give the  
20  customers an opportunity to be able to repay their arrears.

21          DR. SILK: All I can do is speak from experience, and  
22  that certainly in Ottawa there's always a very big, highly  
23  publicized photo-op for the utilities to announce Winter  
24  Warmth. And in Ottawa, I believe we're talking about 100,  
25  maybe 200 families that have benefited from this program,  
26  or the utilities have benefited.

27          Unfortunately, in the last three or four years,  
28  despite pretty aggressive efforts on our part, we have had

1 virtually no referrals from any of the Winter Warmth  
2 agencies to our programs that could actually help these  
3 people in the long-term. It's always been a very short-  
4 term: Ah, you have a big debt? We'll pay off as much as  
5 we can, and good luck the next year.

6 MS. BOUKYDIS: The purpose of that press release and  
7 that media opportunity that is done with the other  
8 utilities in the program is in one way to try to  
9 communicate the program. And I was just saying it's very,  
10 very difficult to reach the low-income people, to let  
11 people know about this. And we do get very good coverage,  
12 and reporters do pick it up. And then we do find that  
13 customers will call.

14 And actually, those stories that appear in the  
15 newspapers are in direct correlation of customers that will  
16 call and try to access those funds.

17 MS. HARE: Okay. I'm going to ask Mary to have the  
18 final word before we take a break.

19 MS. TODOROW: LIEN still thinks there is a role for  
20 emergency assistance, even if we get a whole comprehensive  
21 program together, because we have ongoing issues with  
22 income insecurity with low-income people. They are in  
23 contract work, there are short-term emergencies, there are  
24 unexpected expenses. You could get ill and have to pay for  
25 drugs, et cetera. So we think there is still going to be a  
26 need. We are just hopeful that the need for that is going  
27 to decrease as we get all the other parts of that pyramid  
28 in place.

1           So we do believe that there is a role for this, and  
2   that there will be a continuing role for emergency  
3   assistance. One thing I want to talk about is we were  
4   talking mostly about heating costs on this factor, like the  
5   Winter Warmth, et cetera. I can tell you, like, we've had  
6   a wet, cool summer this summer, but two years ago we had a  
7   fairly hot, smoggy summer, and we had customers who were  
8   calling us and saying: Where can I get funding, because  
9   I've exhausted the emergency energy fund? Because you can  
10   only do it once in a season.

11           And I can tell you this because the Toronto Star had  
12   phoned said: Oh, who are all those people who are paying  
13   the summer air conditioning bills? They wanted to  
14   interview someone, and I phoned the housing help centre in  
15   Toronto. And this woman, she was a single mom, she worked  
16   -- she was a working mom. She had a townhouse. Her  
17   daughter had asthma and they had a window air conditioner.  
18   And the fact that they had a window air conditioner in the  
19   summer meant that she had an unaffordable bill. She worked  
20   30 hours a week. And there was no money to access. And  
21   because that story was in the paper, a woman from Stratford  
22   called up and offered to pay her bill. Charity.

23           MS. HARE: We're going to take a break now, and resume  
24   at 3:30.

25   --- Recess taken at 3:16 p.m.

26   --- Upon resuming at 3:36 p.m.

27           MS. HARE: Okay. We are going to be beginning. I am  
28   going to be turning on-air in a minute.

1       We're going to continue with discussion on topic  
2   number 2. I would like to start with -- Debbie Boukydis is  
3   going to clarify the study that's being done, in terms of  
4   improving the Winter Warmth program.

5       MS. BOUKYDIS: So that there are two specific  
6   committees that manage the Winter Warmth fund. One --  
7   they're both managed by the United Way. The first one,  
8   there's a committee that manages it for the Garland  
9   settlement, the \$9 million, and there's representation from  
10   the United Way of Greater Toronto, Enbridge Gas  
11   Distribution, Mr. Gordon Garland, as well as a consumer  
12   group. And then for the Winter Warmth steering committee  
13   for the utilities, that includes Toronto Hydro, Hydro  
14   Ottawa, Union Gas, Enersource, and PowerStream.

15       So the United Way has commissioned this study with a  
16   consultant that is going to look at the criteria for both  
17   of these programs, both the money that is within the  
18   Garland settlement as well as the dollars that are put into  
19   the Winter Warmth fund from the utilities.

20       And it's my understanding that that consultant will be  
21   bringing a report back to the utilities by the time that  
22   the program starts on December the 1st. So we will have  
23   clarity then as to what the criteria will be.

24       MR. KAISER: The money that is from the Garland fund -  
25   - the money that is thrown off by the Garland fund, the  
26   300,000 or whatever, is that just for Enbridge's use, or  
27   can that be used by all of the utilities in Winter Warmth?

28       MS. BOUKYDIS: The way that it works is that the

1   \$364,000, which was the interest generated by the \$9  
2   million, the Winter Warmth -- or the United Way has access  
3   to that, to deliver the Winter Warmth programs. It has to  
4   be exhausted in the Enbridge Gas Distribution franchise  
5   first.

6           MR. KAISER: Oh, I see.

7           MS. BOUKYDIS: And then any of the dollars that are  
8   left over go back into the general use of the United Way.  
9   And that is not -- when that goes back to the United Way,  
10   the \$200,000, it is just not focused on energy. It's just  
11   on any of their general programs.

12          MR. KAISER: Now, when the 200,000 goes back to United  
13   Way, can it be used by Winter Warmth for the other  
14   utilities?

15          MS. BOUKYDIS: That's not my understanding. I don't  
16   believe so. Part of the settlement states that it just  
17   goes back into the general administration -- or not  
18   administration, the general programs of the United Way, but  
19   right across Ontario. Just not Enbridge Gas Distribution's  
20   franchise area.

21          MR. KAISER: No, I understand, but United Way can use  
22   it for whatever they want?

23          MS. BOUKYDIS: That's right.

24          MR. KAISER: It doesn't have to be used for energy,  
25   financial assistance to consumers and energy?

26          MS. BOUKYDIS: That's right.

27          MR. KAISER: And when you say "the settlement", is  
28   that a court-approved settlement as a result of the class

1 action, or is that just an agreement that you've reached  
2 with United Way?

3 MS. BOUKYDIS: It's a court-ordered settlement.

4 MR. KAISER: So it was part of the settlement by --

5 MS. BOUKYDIS: That's right.

6 MR. KAISER: -- Mr. Justice -- by the Chief Justice?

7 MS. BOUKYDIS: That's right. So it's my understanding  
8 that any changes would have to go back to court to be  
9 changed.

10 MR. KAISER: All right. Thank you.

11 MS. HARE: Debbie, you said it had to be exhausted in  
12 the Enbridge Gas franchise area, but there are a number of  
13 electric utilities in that franchise area. Can they access  
14 the funds?

15 MS. BOUKYDIS: No, it's specific to --

16 MS. HARE: So it's Enbridge Gas customers.

17 MS. BOUKYDIS: That's right, Enbridge Gas Distribution  
18 gas customers.

19 MS. GIRVAN: And is that, Debbie, is that a condition  
20 of the court settlement? Like, is that -- is that defined  
21 --

22 MS. BOUKYDIS: Yes, that was determined by Enbridge  
23 Gas Distribution, Mr. Garland, and it was worked out.  
24 That's right.

25 MS. HARE: Other comments? Questions? Karen?

26 MS. TAYLOR: Karen Taylor, from the OEB.

27 I just want to clarify on the Winter Warmth from the  
28 Garland specifically -- and I'm sorry if you said this. I

1 just couldn't hear all of what you said. Is it the United  
2 Way and its related agencies that, in the first order,  
3 dispense with the cash to customers in the Enbridge Gas  
4 service area?

5 MS. BOUKYDIS: That's correct. So the dollars that  
6 are -- the interest that is generated, the \$364,000 has to  
7 be used specifically for the Winter Warmth fund. So the  
8 United Way then -- who also administer the Winter Warmth  
9 fund, are the dollars that Enbridge Gas Distribution puts  
10 into the fund. Then they just draw on those additional  
11 dollars for gas customers within our franchise area.

12 MS. TAYLOR: So will your consultant -- and I'm just  
13 always looking for incentives, and the proper incentives --  
14 given that the unspent monies go back into the United Way  
15 general pool for application to any particular program that  
16 the United Way sees fit, will the consultant also be  
17 assessing whether there are incentives for the United Way  
18 to have criteria that's too high on the Winter Warmth, in  
19 terms of the administration, in order to rededicate the  
20 monies elsewhere? Is that something that the consultant  
21 will be making sure is objective and neutral, in terms of  
22 how those monies are dealt with?

23 MS. BOUKYDIS: I could -- I could -- I don't know the  
24 answer to that question. I do know that the purpose of the  
25 consultant's work is just -- is to evaluate the criteria  
26 and to have a better understanding as to why there are  
27 dollars left over within the fund.

28 But that is something -- that's an undertaking that I

1 could take and get a copy of the report to see exactly what  
2 they are working on.

3 MS. HARE: Yes.

4 DR. SILK: I wonder if I may ask Enbridge if there's  
5 anything in the Garland settlement that would prohibit  
6 investing some of this money into actual energy-efficiency  
7 upgrades?

8 MS. BOUKYDIS: The terms of the settlement are very  
9 specific that the interest generated from the \$9 million  
10 must be used for the Winter Warmth fund for gas customers  
11 within our franchise area.

12 DR. SILK: A little follow-up, if I may?

13 And who decides on the Winter Warmth fund policies,  
14 rules, regulations?

15 MS. BOUKYDIS: With respect to the Garland settlement?

16 DR. SILK: No, in general.

17 MS. BOUKYDIS: In general, that is something the  
18 United Way -- the reason that we chose the United Way as a  
19 partner -- and I speak for the other utilities that are  
20 involved with this -- is the United Way is the expert on  
21 how to provide these programs for low-income.

22 So as much as we're on a steering committee with the  
23 United Way, the United Way determined the criteria and does  
24 the administration independent of the utilities, so we do  
25 not have any influence over the policies that they use.

26 DR. SILK: Okay. I'd just like to point out that in,  
27 certainly, our experience, ten years in Ottawa, the United  
28 Way has very little experience in actually working in the



1 energy efficiency. United Way has a lot of experience in  
2 sort of helping people do all sorts of other social --  
3 social things, but not energy efficiency. So I certainly  
4 wouldn't describe the United Way as being an expert in the  
5 energy-efficiency field.

6 MS. BOUKYDIS: Oh, I'm sorry, I didn't say they were  
7 an expert in energy efficiency. I said that they are a  
8 social agency that delivers this particular emergency  
9 relief program for customers of the utilities. And as a  
10 social agency with an understanding of low-income customers  
11 much better than any of the utilities can, they set the  
12 criteria for the program. I don't know about energy  
13 efficiency.

14 MS. HARE: Michael? Do you have the microphone?

15 MR. JANIGAN: I have a question to ask to Enbridge  
16 concerning the earlier slides involving the efforts to  
17 benchmark your customer-service practices against any other  
18 utilities, and in that process you found that you were  
19 among the highest-rated.

20 Do you have any idea of the difference in cost  
21 associated with what you're doing versus what other  
22 utilities, who are lower than you, are doing, and what it  
23 would cost them to upgrade their functions to what you've  
24 termed to be the best practices?

25 MS. BOUKYDIS: I don't know the answer to that. I'm,  
26 you know, specific to Enbridge Gas Distribution. The extra  
27 -- or the programs that we have in place for low-income  
28 customers are built within our overall customer-care

1 budget. But I wouldn't know about the other utilities.

2 MR. JANIGAN: Were the differences primarily ones  
3 which would have been reflected in cost -- in cost numbers,  
4 or would they be differences in practices themselves that  
5 wouldn't necessarily have cost consequences?

6 MS. BOUKYDIS: I would say it would be different in  
7 practices. When we look at the disconnection policy, the  
8 reason that Enbridge rated higher than other utilities in  
9 the US and in Canada, it was primarily because there is a  
10 78-day period from the time that a customer first realizes,  
11 finds out, that they're in arrears until the time that the  
12 customer is disconnected. We typically, in low-income or  
13 hardship -- with low-income or hardship customers, we will  
14 waive the disconnection fee -- the reconnection fee. So  
15 for that reason it was based higher.

16 In terms of reconnection, it's rated higher again,  
17 because of the waiving of the reconnection fee, as well as  
18 the security deposit in most cases. And the late-payment  
19 penalties, although it was on a medium standpoint, as I  
20 said earlier, there were no late payments -- penalties  
21 charged for seniors.

22 And then on the equal billing, we're rated higher  
23 because there are some utilities, it's my understanding,  
24 that don't automatically put customers on equal billing.  
25 They have to have some sort of precondition. But all our  
26 customers are put on equal billing and then they have the  
27 option of opting out.

28 MR. JANIGAN: Would it be fair to say that the costs

1 associated, for example, in waiving certain fees and  
2 expenses are made back in terms of lower collection costs  
3 and lower amounts of efforts to deal with the customer  
4 further down the line?

5 MS. BOUKYDIS: I would say that's fair. Yes.

6 MR. JANIGAN: Okay.

7 MR. RYCKMAN: I think it's also important, though, to  
8 recognize that changes in practice could have cost  
9 implications. So you can't necessarily jump to the  
10 conclusion that changing a certain practice won't have any  
11 cost implications.

12 I think when we talk about some of the bad debt and  
13 other cost savings, they have to be considered in their  
14 entirety, based on the services. So what one utility does  
15 may be easier to do than perhaps some other utility.  
16 So I don't think you can ignore the infrastructure that's  
17 required to implement some of these practices or some of  
18 these services.

19 MS. HARE: Dana.

20 DR. SILK: Dana Silk, EnviroCentre.

21 Could I ask if the Enbridge Winter Warmth program is  
22 administered as part of your OEB-mandated DSM program or by  
23 another branch of the company?

24 MS. BOUKYDIS: It is not the DSM program, no.

25 DR. SILK: And which branch implements it?

26 MS. BOUKYDIS: I believe it was approved in our  
27 overall rates. I don't know what branch. I don't know  
28 what you mean.

1 DR. SILK: Public affairs, government relations?

2 MS. BOUKYDIS: Yes, it is. It's the community  
3 investment budget.

4 DR. SILK: Thank you.

5 MS. HARE: Other questions? Comments? Yes, Joan.

6 MS. HUZAR: It's Joan Huzar from the Consumers  
7 Council.

8 It strikes me, listening to this conversation for the  
9 last little while, and certainly when I read over the  
10 background material and the consultant's report, that  
11 there's a ton of information, stuff, programs, whatever,  
12 out there that I certainly wasn't aware of. To me, it  
13 screams out that there's a real need for a -- I'll call it  
14 a clearing house, for lack of a better and more elegant  
15 term -- which doesn't seem to be there.

16 I mean, if it was there, then we'd know all this  
17 stuff, and we don't seem to, so there's a gap.

18 So we need to know, first of all, what's out there,  
19 and then you need to know some details about how it's  
20 funded, you know, how do you measure whether it's working  
21 or not, what criteria are there to access programs, those  
22 kinds of things. Like, just the ticky-tacky, very specific  
23 stuff.

24 And it strikes me that this might very well be  
25 something that the Board would undertake because they are  
26 stable, going to be around a long time, not subject to  
27 whims, regulators. And something like this, you do it once  
28 but then, 30 seconds later, it's out of date.

1        So if the decision was made to do it, and I think  
2 perhaps it might be a good idea, it would have to be an  
3 ongoing -- you know, every whatever. And then all of us  
4 out there, from the advocates to the utilities to whoever,  
5 would have the certainty of knowing that they could phone  
6 the 800-number or whatever it was, or access the website  
7 and find out what was available in their community, what  
8 the criteria were, et cetera, as opposed to now what's  
9 obviously a very fragmented -- there's lots of stuff out  
10 there, but nobody knows. And I'm thinking, the little town  
11 that I used to come to, I don't even know whether they  
12 access some of this stuff.

13        So I think that would be a really beneficial to  
14 everybody, a win-win-win situation, if that kind of fact-  
15 finding exercise was undertaken and then committed to  
16 maintaining it, so that it's there is a resource for the  
17 whole community.

18        MS. HARE: I think maybe that's what our Chair was  
19 suggesting when he was asking the question about, you know,  
20 the Board's role.

21        MS. HUZAR: Mm-hmm.

22        MS. HARE: Customer outreach and how we're going to be  
23 more proactive.

24        MS. HUZAR: Right.

25        MS. HARE: You know, how this might fit into that.

26        Any comments or questions? If we've exhausted this  
27 topic, I'd suggest we adjourn until tomorrow. And we'll  
28 begin tomorrow, then, with topic number 3, which is

1 experience in other jurisdictions. So the agenda now shows  
2 continuation of topic 2 at 9:30 and the beginning of topic  
3 3 at 10:45. I'm suggesting we'll start at 9:30 with a  
4 discussion of other jurisdictions, and you'll note that we  
5 have attending people that have had direct experience in  
6 implementing programs, notably Hydro Quebec and a gas  
7 utility in Pennsylvania and an electric utility in  
8 Pennsylvania. So I think we'll have another day of  
9 interesting discussion. Thank you.

10 --- Whereupon the conference adjourned at 3:52 p.m.

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