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October 27, 2008

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0150: Consultation on Energy Issues Relating to Low-Income Customers – Comments of LPMA and BOMA

I. INTRODUCTION

These are the comments of the London Property Management Association ("LPMA") and the Building Owners and Managers Association of the Greater Toronto Area ("BOMA") with respect to the Consultation on Energy Issues Relating to Low Income Consumers (EB-2008-0150).

The Ontario Energy Board ("Board") held a stakeholder conference from September 22nd through September 25th. The Board requested that participants provide it with their written comments following the completion of this stakeholder conference. These comments would allow participants to summarize their views after having the benefit of the views of other participants in the consultation.

This consultation process was initiated in part due to the May 16, 2008 Divisional Court decision that indicated that the Board did have the jurisdiction to consider the ability to pay when setting utility rates, should the Board consider this to be appropriate.

II. THE ISSUE

The issue in this consultation process, as framed by the Board's original letter dealing with this matter was to:

> *"examine issues associated with low income energy consumers in relation to their use of natural gas and electricity. This consultation is intended to assist the Board in gaining a better understanding of those issues and in considering the need for and nature of policies or measures that could address those issues."*

LPMA & BOMA support this consultation. The information that was provided by all the parties at the stakeholder consultation was informative and valuable to all stakeholders.

LPMA & BOMA support measures that would help alleviate the affordability problem associated with rising energy costs.

III. PUBLIC POLICY VS. REGULATORY POLICY

LPMA & BOMA do not believe that the problems faced by low income households can or should be addressed in a piecemeal fashion. The issues faced by low income households go far beyond the cost of energy.

The problems faced by low income households should be addressed by public (social) policy. Public policy is determined by elected public officials that are accountable to the public. As such, the Ontario government should decide the appropriateness of providing financial assistance to low income households.

Public policy should be publicly funded by the entire society, not a subset of society, such as customers that purchase energy services from regulated corporations.

However, this does not preclude the potential for public policy to be implemented, at least in part, by others, such as utilities. LPMA & BOMA provide more comments on the way in which utilities can assist in the delivery of public policy later in these comments.

LPMA & BOMA believe that the role of the regulator is to set "just and reasonable" rates and not based on an ability to pay. The regulator should not be involved in setting public policy. They have no mandate to do so. Their role is to implement measures that are consistent with public policy.

The Board and provincial government should realize that at least part of the problem faced by low income energy consumers today is the result of public policy and the measures that have been approved by the Board over recent years. On the natural gas side, the move to open up the commodity market for residential customers resulted in significant costs to be incurred by the utilities related to billing options and unbundling. These costs were recovered from all customers through distribution rates. The Board's recent decision in the Natural Gas Electricity Interface Review resulted in increased distribution rates for all customers as the benefit of the storage premium over cost based rates was shifted from ratepayers to the utilities. On the electricity side, additional costs have been added to the system that directly relate to public policy. These costs include regulatory assets, the addition of a return on equity that distributors are allowed to earn and the addition of PILS. The government plan to encourage the growth of renewable generation (solar and wind) includes paying higher prices for this electricity. Combined with additional transmission requirements to connect these sources to the grid, this policy will increase the cost of electricity paid by consumers. Additional costs are now being incurred by distributors related to the move to smart meters. All of these changes may be in the "public interest" but they all result in additional costs.

While each of these individual changes may have been viewed as having a small impact on residential customers, the aggregate impact has been significant. This impact is even greater when viewed from a low income energy consumer perspective. These costs that have been added to the monthly bills of a low income energy consumer have only exacerbated the problem of rising and volatile commodity costs.

These past actions have had an undesirable impact on the ability of low income energy consumers to pay their bills. Going forward, the Board needs to keep in mind the cumulative impact of its decisions on these customers. These decisions can range from cost of service rebasing applications to generic proceedings dealing with smart meters, deferral and variance accounts, rate design, incentive regulation and all the other matters that will, in their own way, impact on the regulated rates paid by customers. One of these most notable matters that the Board will be dealing with in the near term is the impact on rates from International Financial Reporting Standards ("IFRS").

This brings us to a key observation. LPMA & BOMA believe it is important to put the Board's responsibility into perspective when it comes to the total energy bill for a residential consumer. As the Board Chair indicated throughout the stakeholder conference, the Board has responsibility for approximately 25% of a typical residential natural gas and electricity bill. The remaining 75% of the bill relates to the commodity itself. While the Board has responsibility for the prudence of the natural gas acquisition costs, they have very little responsibility or authority over the costs associated with generation. More importantly, other than for the responsibility related to the prudence, the Board has no authority or control over the cost of the commodity. These costs are determined by the market.

In addition, the Board does not regulated the price of other fuel types used by a significant number of households as either their primary or secondary source of energy. These fuels include propane, home heating oil and wood. As indicated at the stakeholder conference by Hydro One a significant number of their customers use these fuels for space heating and water heating. This is because these customers are in rural areas where natural gas is not available.

As a result, the Board is not in a position to deliver a policy of lower energy costs to low income energy consumers on a universal basis. It would be unfair and unjust to provide relief to a consumer that uses electricity and natural gas, while providing less relief to a consumer that uses electricity and propane. Universality is a key component to any public (social) policy. The Board cannot provide universality, only the provincial government can do so.

In summary, the Board should continue to regulate rates based on the economic regulatory principle of "just and reasonable" rates. It should not be involved in setting public policy. It should only be involved in assisting the implementation of any such policies that relate to energy.

IV. RATE RELATED INITIATIVES

LPMA & BOMA are opposed to the rate related initiatives that have been discussed or at least touched upon during this consultative to date. Various parties have put forward at least four main proposals. Specific comments are provided on each of these alternatives below.

In general, LPMA & BOMA are opposed to rate measures that result in the subsidization of one rate class or group of consumers within a rate class by higher rates paid by other rate classes or other consumers within the same rate class.

Such an approach departs from the traditional cost of service ratemaking principles and from the fundamentals of economic regulation that require that customers with similar characteristics pay the same rate and that rate is based on the costs to serve them.

LPMA & BOMA also believe that there are significant cost shifts that could result from some of the proposals that have been put forward. As the presenters from Pennsylvania reported (Tr. Day 2, pg. 46) the cost to other customers of the subsidy provided in that state amount to $45 to $100 per customer, depending on the utility. This is a significant increase in the cost to customers, most notably those that would not qualify for the low income assistance. Depending how the low income energy consumer was defined, this could result in more consumers qualifying for the assistance, reducing the number of customers that provide the subsidy, thereby increasing the costs to those remaining customers. This cycle of increased subsidy costs and increased number of customers qualifying for rate relief could evolve into a cyclone in difficult economic times. Instead of a death spiral in rates, the Board could be faced with a death spiral in subsidy levels. In short, such an approach is not likely to be sustainable.

If any group of energy consumers is to be subsidized, the subsidy should be provided by the provincial government as part of its public policy that would determine the amount of the subsidy and who would be eligible to receive it. The Board could then determine if and how the regulated distributors could assist in providing this subsidy to the eligible parties.

All of the proposals also suffer from the fact that Board only regulates a relatively small portion of the overall bill (approximately 25%). Further, it has been the commodity cost that has been the main driver in escalating energy prices over the last several years. If the rate related proposals that have been provided by the various participants are intended to apply both to the regulated rates set by the OEB and to the market driven prices for the commodity, it is unclear how the Board could regulate both the system supply commodity costs and the commodity costs offered by marketers. Even if low income customers remained en masse with the system supply option available through their utility, the customers that would be expected to subsidize these rates are free to move to marketers, thereby avoiding paying any subsidy that may have been recoverable through the system supply option.

a) Special Rate

In addition to the comments above, LPMA & BOMA oppose a special rate for low income energy consumers on the basis that such a rate would actually increase costs to the distributors which would then result in higher rates for all consumers.

The addition of a special rate will require distributors to make changes to the billing and accounting systems. Unlike existing rate classes, the composition of this special class will be constantly changing as customers move in and out of the class based on their changing circumstances. This will require the distributors to review all customers in this class at least on an annual basis.

The impact on distributors will be additional capital expenditures and ongoing administration expenses that they do not currently incur. These costs will be passed on to customers. In the view of LPMA & BOMA there is no need to incur these costs. Other solutions are available at much lower cost. These solutions are discussed later in these comments.

LPMA & BOMA also submit that a special rate that is specific to each distributor is unfair. During the stakeholder conference, many organizations indicated that the low income problem is not uniform across the province. Some areas of Ontario (and hence their associated distributors) have a low proportion of low income households, while other areas have a significantly higher proportion. A special rate, even if it was uniform across all distributors in the province would result in a different level of subsidy required from the remaining customers in each distributor. This could have perverse results. A distributor that serves an affluent community would have a very low level of subsidy recovery from its customers, which could afford to pay more. A distributor that serves a community that has been negatively impacted by the economy would have a high level of subsidy costs to recovery from its customers. These customers are least likely to be able to afford this. Again, this points to the need of a province wide public policy to ensure equity for all customers.

The development of a special rate for low income residential customers will deviate from the regulatory principle of cost causality. The Divisional Court decision stated that the Board had the jurisdiction to consider the ability to pay when setting utility rates. This decision did not limit this jurisdiction to residential customers. If the Board abandons the principle of cost causality and embraces an ability to pay principle, it will have most likely have to deal with a deluge of applications for special rates from institutional, commercial and industrial customers that are facing financial challenges. LPMA & BOMA do not believe this is a road that the Board and ratepayers want to go down.

b) Inverted Rate Structure

An inverted rate structure essentially subsidizes low volume consumers by providing a low rate for the first block of consumption each month and progressively higher rates for higher levels of consumption. Such an example currently exists for the electricity commodity cost. For example the summer prices for residential customers on the regulated price plan are 5.0 cents per kWh on the first 600 kWh consumed each month and 5.9 cents per kWh for any consumption above that level each month.

LPMA & BOMA submit that an inverted rate structure for distribution services is neither appropriate nor desirable for low income consumers. It is not appropriate because it deviates from cost causality. The vast majority of costs incurred by a distributor, whether gas or electric, are related to the simple connection to and serving of the customer. Within a residential rate class, for example, there is very little difference in the cost to serve a customer that uses 500 kWh of electricity a month compared to one that uses double or triple that amount. Charging the higher volume customer more than a low volume customer does not recognize that the costs to serve them are virtually identical.

An inverted rate structure is not desirable for low income customers. An inverted rate structure only benefits customers with low usage. There is no evidence to support that low income customers are low energy users. In fact, the opposite may be true. Low income households cannot afford to replace old inefficient appliances or heating and water heating equipment with newer more energy efficient equipment. As many of the participants in the stakeholder conference pointed out, low income people are generally in their homes more hours of the day, resulting in higher energy usage. As a result, an inverted rate structure is likely to increase costs to low income energy consumers.

The Board should not consider an inverted rate structure unless it has evidence to suggest that low income consumers are also low energy volume users in Ontario.

c) Bill Discounts

The proposal of some type of bill discount, whether it be elimination of the fixed charge, or a reduction in the total bill by some percent suffers from the same problems associated with a special rate.

In addition to financing the subsidy through a surcharge on other customers, the distributors will have to effectively create a new rate class in order to track which customers receive a discount on their bill. Capital costs and ongoing administration costs will only add to the costs of this option.

In addition, the bill discount proposal suffers from a significant longer term drawback. A discounted bill hides from the customer the true cost of energy usage. This in turn mutes the need for conservation from the perspective of that customer. The best way to pay less for energy is to use less energy. Energy prices are likely to continue their upward trend for the foreseeable future. Low income customers need to be engaged in conservation efforts, perhaps even more so than other customers. The financial benefit of the savings that can be realized through conservation is significantly higher and more essential to low income energy consumers than it is to other consumers.

d) System Benefit Charge

A system benefit charge similar to the Rural and Remote Rate Protection ("RRRP") has been suggested by some parties as a way of raising funds to subsidize rates for low income households.

The RRRP is collected from all customers through their regulated rates and used to provide a subsidy to the costs of serving customers in rural and remote areas served primarily by Hydro One and Great Lakes Power.

LPMA & BOMA do not support this approach because the imposition of such a charge would mean that all other customers, or all other residential customers, would be providing a subsidy to the low income energy consumers rather than having society provide the funding. However, of the four rate related initiatives proposed, this would be the most appropriate if the Board were to decide to that it should do something directly related to rates for low income households.

This rate initiative would require distributors to somehow identify who would be eligible for the subsidy, but would not require them to set up a new rate class. It would probably mean something similar to the systems in place to track who is direct purchase versus who is a system commodity customer. This would like result in some additional costs for the distributors.

However, it should also be noted that this approach would result in differing levels of subsidy across distributors if the amount of money raised is confined to the amount charged by each of the distributors. If the money raised through this charge is pooled on a provincial basis, then some organization would need to be responsible for managing these funds and providing them to distributors to subsidize the appropriate customers.

e) Summary

In summary, LPMA & BOMA do not support any rate related initiatives that would result in other customers pay higher, non-cost based rates to provide a subsidy to low income energy consumers, whether these consumers are only residential consumers, or whether they approach was extended to institutional, commercial and/or industrial customers.

If the amount of the subsidy was financed through public policy (i.e. through provincial funding), the rate initiatives all involve additional costs for the distributors that would ultimately be recovered from their ratepayers, driving up rates.

LPMA & BOMA believe there are other ways to alleviate the problems faced by low income energy consumers that are less expensive to implement, saving all customers from unnecessary costs. These are discussed below.

V. SOLUTIONS

During the stakeholder conference, the Board Chair asked for solutions, not just problems. LPMA & BOMA believe there are several things that the Board and utilities can do to help the situation of low income customers. However, the Board should be cautioned there is not one magical solution to the problem. Some of the suggestions provided below can be implemented in a relatively short period of time. Others may take several years or more to have an impact.

The possible solutions presented have been divided into two groups: short-term and long-term. The short-term solutions are those that the Board and utilities can implement either immediately or within a few years that have an immediate impact on the distribution related costs paid by customers. The long-term solutions are those that the Board, utilities and other stakeholders can implement starting now that will have a long lasting permanent impact on energy costs paid by customers.

LPMA & BOMA have also provided recommendations on a comprehensive province-wide energy assistance program.

a) Short-Term Solutions

There are a number of changes that the Board could direct utilities to make that would be of immediate assistance to low income energy consumers. The following list is not intended to be exhaustive, but simply a starting point for the Board to consider.

i) Security Deposits

Several of the presenters at the stakeholder conference indicated that security deposits are a significant problem for low income energy consumers. LPMA & BOMA have a number of recommendations associated with security deposits.

- **Do not request security deposits from residential customers when they establish a new account.** This is the general rule used by Hydro One. Should the customers' good payment history deteriorate, then Hydro One will require a security deposit. This would eliminate the burden on low income consumers to come up with security deposits when they set up a new account. These security deposits are in the range of $270 (Union Gas) to $515 (Hydro One) per residential customer. By requiring low income customers to have a substantial security deposit, the distributors are almost setting up these customers to fall behind in their monthly payments. As noted by one participant in the stakeholder conference, one of the things that the emergency energy fund ("EEF") pays for is security deposits. That money paid just sits with the distributors. If security deposits were not required, the EEF would retain more money to actually clear arrears. This would be a significant benefit of not requiring a security deposit unless there is a bad payment history.

- **When a security deposit is required from residential customers, it should be payable over an extended period.** If the customer's good payment history deteriorates, the distributors should be allowed to require that customer to provide a security deposit. However, the security deposit should not be required in one lump sum payment. It could be payable over a fixed period, such as 12 months. Or more appropriately, it could be collected in affordable monthly installments of, for example, $25 until the required amount is collected. This approach would also reduce the amount of money coming from the EEF to pay for security deposits. Retaining cash in the EEF to pay actual arrears would be a benefit.

- **Draw down on the security deposit when a customer is in arrears.** It would appear that security deposits are not available to draw upon when a customer is in arrears. The distributor keeps the customer deposit until it is refunded to the customer following a good payment history, or is used to settle a final account with any remaining funds returned to the customer. LPMA & BOMA believe that when a customer is in arrears the distributors should draw down on the security deposit. The security deposit can then be gradually restored to its required amount through an extended period as noted above.

ii) Fees and Charges

The Board should direct distributors to waive late payment fees and disconnection and/or /reconnection charges for customers that are identified as low income customers. These fees are designed to promote timely payment by customers that can afford to do so. Such incentives do not work when applied to customers that cannot afford to pay on a timely basis. They only exacerbate the problem down the road.

iii) Fuel Switching

Fuel switching should be promoted where it will result in lower energy costs. Energy costs can be reduced where a customer has both an electric and a natural gas service and is using an electric water heater. The Board should direct that electric and natural gas distributors develop a joint program to get such customers to switch to natural gas water heating. This will provide immediate savings to the customer. Such a program would have to deal with the higher capital costs or rental costs generally associated with natural gas water heaters as compared to electric water heaters. The program could also look at ways to get customers that have both an electric and natural gas service to switch other appliances, such as stoves and clothes dryers to natural gas.

iv) Off Electricity Consultation

The Board should initiate a consultation on the viability of a program to have natural gas extended to communities and rural areas that currently do not have access to natural gas. Such a program could be comparable to the off oil program that existed in Ontario more than two decades ago. This would allow consumers to switch from high cost fuels including electricity to natural gas. Such a program could be combined with CDM and DSM programs, ensuring that participants get high efficiency equipment when they switch fuels.

v) Equal Billing Plans

We heard from the large utilities that were at the stakeholder consultation that they all had equal billing plans. However it is not known if all the distributors offer equal billing plans. If they do not, they should be directed by the Board to offer this billing service to their customers.

Equal billing plans help customers manage their monthly bills by eliminating significant changes in the monthly costs, allowing for better budgeting.

The structure of equal billing plans should also be reviewed, with an eye to standardizing how they are done. For example, it is not know if the existing equal billing plans spread the costs out over 11 months, with the 12th month being the true up month.

vi) Rate Related Reviews

In addition to the above customer service initiatives, there are some rate related reviews that the Board should initiate that could help lower rates for all electricity customers, including low income customers. These are detailed below.

- **Review of the working capital allowance calculation.** The Board should initiate a process for the electricity distributors to review the calculation of the working capital allowance component of rate base for utilities as they file cost of service applications starting with the 2010 rate applications.

  The current methodology allows distributors to calculate the working capital allowance as 15% of controllable expenses and the cost of power. The Board should require all utilities to undertake and file a lead/lag study when they rebase starting in 2010. LPMA & BOMA believe that the 15% calculation results in too large of an addition to rate base. Electricity distributors that have filed lead/lag studies have resulted in working capital allowances that are equivalent to 12% to 13% of controllable expenses and the cost of power.

  The magnitude of this difference can be seen using the recent Decision with Reasons dated October 3, 2008 for Horizon Utilities Corporation. Horizon has a rate base of approximately $363 million. The Board allowed the use of the 15% calculation for the working capital allowance. A once percentage point drop in this calculation from 15% to 14% would have reduced rate base by approximately $4.6 million. At a cost of capital of 7%, this amounts to a revenue requirement of more than $300,000. If the equivalent ratio was 12.5%, the reduction in the revenue requirement would be $750,000. This decrease would be available to all customers, including low income energy consumers. Across all electricity distributors, the reduction in rates would total millions of dollars.

  The natural gas distributors already have rates that are based on the results of lead/lag studies.

- **Require electricity distributors to include customer security deposits in the calculation of rate base.** Currently, the Board does not require electricity distributors to include the customer security deposits that they hold to be used as a credit to offset their total rate base. LPMA & BOMA believe that these funds should be treated as a source of short term funds.

As an example, Horizon Utilities has customer deposits of more than $14 million in 2006. If this amount had been used to reduce their rate base, at a 7% cost of capital, the revenue requirement would have been reduced by nearly $1.0 million. Much of this reduction would have been allocated to the residential customer class since a significant portion of the customer deposits are from residential customers.

As noted in the Board's October 8, 2008 Notice of Proposed Amendment to a Rule – The Gas Distribution Access Rule (EB-2008-0313),

"The Board notes....that gas distributors are subject to similar rate treatment in relation to the risk of customer default and exposure to bad debt. Security deposits are included in rate base for the purposes of calculating a gas distributor's working capital and therefore of calculating the gas distributor's overall revenue requirement."

LPMA & BOMA are not aware of any compelling reason why electricity distributors should not be regulated in the same manner as are the gas distributors. Given the estimated revenue reduction of nearly $1.0 million for Horizon Utilities, the impact province wide could be in the tens of millions of dollars or more in reduced rates to customers.

b) Long-Term Solutions

Long-term solutions will ultimately provide the most assistance to low income energy consumers. While these solutions will take longer to implement throughout the energy industry, they will provide a more sustainable solution.

i) CDM and DSM

As noted earlier in these comments, the best and most effective way to reduce energy costs is to use less energy. For low income energy consumers, this is especially important given that energy costs are likely to rise significantly in the years ahead. The only way to be insulated from significant cost increases is to use less energy. This means demand side management ("DSM") and conservation and demand management ("CDM").

LPMA & BOMA believe the Board should encourage and direct where possible the Ontario Power Authority, electricity distributors and the natural gas distributors to target a greater proportion of their CDM and DSM spending towards low income consumers. As noted earlier, low income energy consumers may very well be larger than average consumers of energy. By targeting assistance to these customers, greater savings may be achieved as compared to other residential customers, most of whom can afford to pay the full price of their upgrades.

Moreover the Board should direct all of the parties to work together to avoid duplication of effort and to maximize the amount of resources going to assist low income customers and minimizing administration costs. The Board should encourage "One Stop Delivery". In addition to avoiding duplication it would also reduce consumer confusion. As noted by several participants in the stakeholder conference, a significant portion of low income households face unique circumstances related to literacy, language barriers, disability and other issues. Even customers that do not face these unique problems can be easily confused by who is doing what when it comes to energy efficiency measures. There is assistance available from federal and provincial sources, along with the OPA and utility programs.

"One Stop Delivery" would involve a complete energy audit of the low income households across the province. None of the cost of such an audit would be paid for by theses households. The audits should provide a ranking of where each consumer can save the most relative to the cost of obtaining those savings. Low income consumers should be educated about the potential savings that could be achieved with low cost items that these consumers may be able to afford to do themselves. More costly actions that are beyond the ability of these households to finance should be fully paid for through funds from the distributors designated for CDM and DSM activities, OPA funding and government funding. In addition, appliance and heating equipment manufacturers, retailers and installers should be encouraged to participate in the funding of and delivery of these programs.

An issue for the Board and/or the government to consider is whether there should be one organization that delivers all CDM and DSM programs and co-ordinates the grants available from multiple sources, and if so, which organization should it be. The distributors are not well positioned to do this work, but can be a key contributor behind the scenes. Any organization should be province wide, but adaptable to meet specific regional needs. All the information needed to conserve energy, the costs of doing so, the financial assistance available, finding and scheduling qualified contractors to do the installations and so on, should be available to consumers through this organization.

ii) Sub-Metering

CDM and DSM work more effectively when consumers know what their actual energy consumption is. Moreover, when a consumer knows their energy consumption, they can see the magnitude of the potential savings that can be achieved by adopting the energy efficiency measures promoted through CDM and DSM programs.

As noted by several of the presenters in the stakeholder conference, approximately two-thirds of low income households live in social housing or private rental sector buildings. Most of these buildings are multi-residential buildings. Most of these buildings are bulk metered rather than individually metered.

For the users of the energy in each individual unit to have an incentive to reduce energy usage they need to know how much energy they are using and they need to know the cost of that usage. Sub-metering would let households address their actual costs, encourage conservation and let them assume some control over their energy costs.

LPMA & BOMA have reviewed the draft submissions of the Federation of Rental-Housing Providers of Ontario ("FRPO") with respect to sub-metering and support their submissions in this area.

c) A Comprehensive Province-Wide Energy Assistance Program

Ms. Bhanji provided an excellent and comprehensive overview of the existing energy assistance programs that are available across the province (Tr. Day 1, pg. 118 - 122).

Twenty-eight programs exist. However, there are many constraints to accessing those programs. They have been described as a patchwork of programs with many gaps. They have different eligibility criteria, application process and assistance levels. Some programs are not available in all areas. As Ms. Bhanji indicated, it is difficult to keep track of all the programs that are available. She made similar comments related to the various energy conservation/efficiency programs that are available to low income consumers.

LPMA & BOMA realize that the Board cannot change or simplify these programs. However, we do believe that the Board should highlight this issue to the provincial government and recommend that a comprehensive province wide program be put in place. If such a program and/or administrator were in place, the Board could then direct the distributors to invest in electronic communications with this administrator. This would allow all distributors to be linked electronically with the social assistance agencies in order to send information and money in an efficient and timely manner that should ultimately reduce costs for the utilities.

d) Summary

There are a number of changes that the Board can make that will assist low income energy consumers in the short term. These changes are primarily related to customer service initiatives rather than rate related.

While the Board should be encouraged to make these changes, they are only short term fixes to a long term problem. Energy is not going to get less expensive. The Board should embark on an aggressive campaign to implement the long term solutions as soon as possible.

Please contact me if you require any further information.

Sincerely,

Randy Aiken

Randy Aiken
Aiken & Associates

cc. All parties registered in EB-2008-0150