

DRAFT GAS ~~DISTRIBUTOR~~DISTRIBUTION ACCESS RULE
(More in keeping with the concept of access to distribution services which are provided by a distributor.)

BOARD STAFF'S DRAFT FOR CONSULTATION

September 25, 2000

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GENERAL AND ADMINISTRATIVE PROVISIONS

1. Purposes of the Gas Distributor Access Rule

The purpose of the rule should refer to, if not repeat, the underlying legislation, OEB Act sections 44.1.b and 44.1.d, which scopes the OEB's rule-making powers. This will improve the reader's understanding of the rule's general intent as defined in law. Such a statement should replace the purpose statements listed below. A similar approach is used in the electricity sector rules.

~~1.1.1 The purposes of the Gas Distributor Access Rule are:-~~

~~1.1.3-1.1.2 to provide the principles which govern the business dealings of gas distributors with respect to marketers and customers;-~~

~~1.1.4-1.1.3 to set out the standards and protocols that gas distributors are to adhere to;-~~

~~1.1.5-1.1.4 to identify the dispute resolution process gas distributors must provide; and-~~

~~1.1.6-1.1.5 to preclude discriminatory or preferential business practices by gas distributors;-~~

1.2 ~~Objective of the Gas Distributor Access Rule-~~

~~1.2.1 The principal objectives of the Rule are to standardize business relations between distributors and marketers and customers, and to provide customer protection.-~~

It isn't clear why an objective statement is needed. The electricity rules do not have one. If an objective statement is deemed necessary, the objective described herein is inappropriate in that it is too broad and raises questions as to whether it is within the rule-making scope prescribed by the legislation. If an objective statement is deemed necessary, it should be aligned with the Board's natural gas objectives as stated in the OEB Act. Also, at a specific wording level it is puzzling why the objective of "provide customer protection" appears in an access rule. This is much too broad an obligation for the distributor and would be subject to mis-interpretation regarding how it would be implemented. The distributor isn't in the business of "policing" the marketplace to protect customers.

~~“balanced—(banked) gas account”~~ means the account which captures the volumetric variances between deliveries by a marketer on behalf of a customer and actual consumption by that customer;

“business day” means any day that the ~~Board’s—Distributor’s~~ offices are open for business;
On a practical basis, since it is the distributor who is subject to this rule, it makes more sense to define business day in terms of the distributor’s office hours.

~~“customer” means a person who purchases distribution services;~~
The Act only provides for distribution services to consumers. The definition of consumer is self evident within the context of the Act and no definition should be added to the rule that could conflict with the intent of the Act.

“distribution services” means services related to the delivery of gas to a consumer and which charges are rate regulated by the Board ~~and the services the Board requires distributors to carry out, for which a charge or rate can be approved by the Board.~~

“distribution system” means the system used to deliver gas to a ~~customer~~consumer;

“distributor” means a person who delivers gas to a ~~customer~~ consumer;
In the Act a distributor is defined as delivering gas to a consumer.

“E.B.O. 188 Report” means the Report of the Board, January 30, 1998 in the Matter of a Hearing to Inquire into, Hear and Determine Matters Relating to Natural Gas System Expansion for The Consumers’ Gas Company Ltd., Union Gas Limited and Centre Gas Ontario Inc.;

“embedded distributor” means a distributor that is delivered gas by a host distributor;

“emergency” means a sudden and unanticipated situation during which a distributor is unable to maintain firm distribution service to all firm customers, and which may require that the distributor prioritize service to some customers;
—Clarity would be improved if the term “firm” is specifically defined. See below.

uninterrupted delivery, except as curtailed due to an unforeseen occurrence or in response to an emergency

“host distributor” means a distributor who delivers gas to an embedded distributor;

“in writing” or “written” includes facsimile or electronic transmission of written material;
The definition should be expanded to include e-mail or internet based communication. Limiting electronic transmission to that which is “written” seems to imply that an originating “hard” copy is still necessary.

~~“inspection service” means the initial physical inspection, by a qualified and authorized individual, of a gas-consuming appliance prior to its activation, the audit of this activity, and periodic re-inspection as required under Ontario Regulation 546-96;—~~

Defining “inspection” in this section is unnecessary. The Distributor’s obligations regarding “inspection” are addressed only once in the actual rule and the definition of the activity is an essential component of that specific rule. Also, if it is deemed that it is necessary to include a “definition”, the modifier “service” should not be used. “Inspection” activity is part of the “distribution” service. It is not a separate service. It should also be noted that the periodic re-inspection obligation rests with the consumer, not the distributor.

~~“line locate service” means the provision of the information that precisely identifies the physical location of buried gas pipelines and ancillary facilities;~~

Defining “line location” in this section is unnecessary. The distributor’s obligations regarding “line location” are addressed only once in actual rule and the definition of the activity is an essential component of that specific rule. Also, if it is deemed that it is necessary to include a “definition”, the modifier “service” should not be used. “Line location” activity is part of the “distribution” service. It is not a separate service.

“lock-box arrangement” means an arrangement where a financial institution is designated by certain parties to accept payment from customers on behalf of the parties and to distribute the collected revenue to the parties according to prescribed rules;

gas,
and “market” and “marketing” have corresponding meanings;

“rate” means any rate, charge or other consideration regulated by the Board and includes a penalty for late payment;

~~“safety information service” means the provision of information on avoiding dangerous situations or circumstances involving gas and the actions to take should a dangerous situation or circumstance involving gas occur;~~

Defining “safety information” in this section is Unnecessary. The distributor’s obligations regarding “safety information” are addressed only once in the actual rule and the definition of the activity is an essential component of that specific rule. Also, if it is deemed that it is necessary to include a “definition”, the modifier “service” should not be used. The “safety information” activity is part of the “distribution” service. It is not a separate service.

“Service Level Agreement”, or “SLA”, means the agreement that sets out the relationship between a marketer and a distributor;

The practical form, function, purpose and limits intended of a “Service Level Agreement” (SLA) are unclear. Something that is to “set out the relationship between a marketer and a distributor” can be interpreted to include excessive operating detail about the relationship. Detail which, then will be reviewed by the Board. Union’s concern about the intrusiveness of the requirement, is lessened if the SLA is viewed and treated as a “standard form” which itemizes certain business relationships policies e.g security arrangements policy, STR handling, and the appended Direct Purchase Contract.

Distributors already have contracts and agreements, and working relationships with marketers that seem to have worked very well. It is not clear whether the status of existing contracts (eg. Direct Purchase) is materially affected by the SLA. It is difficult to ascertain what additional use or value, either to a marketer or the distributor a SLA will provide. The Distribution Access Rule makes plain the rules governing the conduct of the distributor as it relates to gas marketers. Distributors and marketers should not be restricted in the detail of their commercial interactions, and day-to-day flexibility to deal with issues like information exchange, deadlines,

affected parties. As Union has stated its overall concern with the SLA, Union shall not formally repeat this comment whenever SLA is mentioned in this draft. Whenever the notation SLA is inserted as a comment to a clause, the reader should reference back to this comment.

“service-~~transfer~~ transaction request” or “STR”, means a written authorization, unless otherwise provided for in the Rule, that initiates a change from current service provisions to alternative service provisions;

-“Transfer” should be “transaction” since it may not necessarily involve a transfer of service provider.

“Standard Supply Offering” means the ~~standardized~~ sale of gas by a distributor under s.36 of the Act or other authorized supplier for which the rates are approved by the Board or, if the distributor is not subject to s.36 of the Act, the relevant rate making authority;

It is not clear what informational value, the descriptor “standardized” adds. Are delivery services standardized? Also, as indicated in Union’s opening comments, commodity supply is not included in the definition of distribution and distribution service in the Act. Therefore a Distribution Access Rule is cannot treat commodity supply as if it was a distribution service and cannot impose conditions of access or define the terms of a commodity supply service. Therefore any reference to definitions or conditions of an SSO should be deleted.

1.4 Interpretations

1.4.1 Unless otherwise defined in this Rule, words and phrases that have not been defined shall have the meaning ascribed to them either in the Act or in the licenses issued by the Board. Headings are for convenience only and shall not affect the interpretation of this Rule. Words importing the singular shall import the plural and vice versa. A reference to a document or provision of a document includes any amendment or supplement to or any replacement of that document or that provision of that document. An event that is required under this Rule to occur on or by a stipulated day which is not a business day may occur on, or by, the next business day

1.5 To Whom this Rule Applies

- 1.6.2 Sections 7.5 and 7.6 shall not come into force until the later of April 1, ~~2000~~2001 or when the Board issues this Rule.

1.7 Exemptions

- 1.7.1 The Board may grant an exemption to the provisions set forth in this Rule. An exemption may be made in whole or in part and may be subject to conditions or restrictions. Persons seeking an exemption from a provision of this Rule shall apply in writing to the Board. In determining whether to grant an exemption, the Board may proceed without a hearing or by way of an oral, written, or electronic hearing.

1.8 Requirements for Board Approvals

- 1.8.1 Any matter under this Rule requiring a determination of the Board may be determined by the Board through an oral, written or electronic hearing, or without a hearing at the Board's discretion.

~~3.2.~~ DISTRIBUTION SERVICES

2.1 Eligibility

2.1.1 For a party to be eligible for distribution service, the proposed or existing delivery point must be situated along the existing distribution lines of the distributor and must comply with the relevant tariff provisions within an area for which a distributor holds a valid Certificate of Public Convenience and Necessity granted by the Board. “Eligibility” as per the Act is open to those parties who are situated along existing distribution pipelines.

2.2 Distributor Provided Services

2.2.1 A distributor shall provide access to distribution service on a non-discriminatory basis and in accordance with this Rule and the applicable rate orders issued by the Board, or, if the distributor is not subject to section 36 of the Act, the relevant rate making authority.

~~2.2.2~~ 2.2.2—A distributor shall be ~~solely responsible for~~ accountable for, within the area covered by its Certificate of Necessity and Public Convenience, the provision of providing:

- ~~emergency~~ gas leak response ~~service within its franchise area~~ according to the distributor’s Policy, Practices and Procedures manuals;
- line locatese ~~service within its franchise area~~ as required per RSO 1990, c.E,s.18;
- installation inspection as required per Section 15.2 of the Energy Act ~~appliance inspection service within its franchise area;~~ and
- sufficient safety information ~~service~~ on avoiding dangerous situations or circumstances involving gas and on the actions to take should a dangerous situation or circumstance involving gas occur. ~~within its franchise area.~~

The wording in section 2.2.2 is too general and is subject to mis-interpretation. It

2.3 Distributor's record-keeping responsibility

2.3.1 ~~A distributor shall obtain and maintain records relating to:~~

- ~~· system configuration within its franchise area;~~
- ~~· system operating limitations within its franchise area;~~
- ~~· inspections of system components prior to commissioning within its franchise area;~~

~~results of subsequent inspections within its franchise area and remedial work undertaken to address any deficiencies.~~

~~What does "system components" include? A specific definition is needed. Otherwise it is too open-ended. The best approach is to refer to the underlying legislation. The distributor should only be responsible consistent with the underlying legislation.~~

~~The distributor may be required to file such records with the Board.~~

~~What relevance does a "record-keeping" responsibility have in an "access" rule? A record keeping section was not considered necessary in the Task Force Report. Much of the record keeping requirements noted above are mandated under other authorities (i.e. Technical Standard Safety Authority) and the distributor is required to comply. There is no value in repeating them here.~~

~~5.3.~~ EMERGENCY SUPPLY PLANNING

~~3.1~~ 3.1—Supply priority

The existing legislation does not provide the necessary foundation for the OEB to declare an emergency and/or delegate that power to another party.

- 3.1.1 During an emergency, a distributor shall have the discretion to curtail, or interrupt, the provision of gas and distribution service(s) to some firm service customers so that service may be maintained to other firm service customers. A distributor in choosing which firm service customers to ~~may~~ curtail or interrupt the provision of gas and distribution service(s) will, where possible, select customers ~~to firm customers~~ who:
- are able to utilize alternative fuel(s); or
 - are able to shut down non-space heating applications;
 - and do not provide heat essential to the well being of individuals (including, but not limited to schools, community centres and other public buildings which are not used to provide emergency shelter or other emergency services).

Depending on the nature of the situation it may be necessary to interrupt customers who do not have any of the listed characteristics. Therefore a listing, if required, should be more of a guideline rather than a directive. It should be made clear by inserting the word “or” that both the first two bullets (conditions) don’t have to be met. Otherwise this would make impractical any meaningful distributor response.

3.2 Financial consequences

- 3.2.1 If, during an emergency, the distributor reallocates gas from some firm service customers to other firm service customers, the distributor will be deemed to have purchased the reallocated volumes.

~~3.2.2~~ 3.2.2—A distributor shall not realize a profit or loss as a result of an emergency and any reallocation of gas. The distributor, subject to review by the Board, can recover deemed purchase costs from ratepayers.

- 3.2.3 The deemed purchase price will be calculated based upon documentation provided by

~~the distributor to the delivery point at which the curtailed or interrupted firm service customer would have otherwise consumed the reallocated gas volumes.~~
Any unabsorbed demand charges on the distributor's system from the 'deemed purchase point' to the delivery point at which the curtailed or interrupted customer would otherwise have consumed the reallocated volumes.

This adds to the clarity of the claimed purchase price components.

3.2.4 The documentation attesting to the claimed purchase price shall be provided by the curtailed or interrupted customer to the distributor in auditable form and may be subject to review by the Board.

3.2.5 Notwithstanding the preceding, there may be circumstances during an emergency where a distributor will curtail or interrupt firm distribution customers for reasons other than re-allocating their gas.

To make in clear in the rule that a curtailment or interruption during an emergency does not necessarily mean a "deemed purchase" the above clause is added.

3.3 Not a breach of contract

3.3.1 ~~3.3.1~~—The reallocation of gas by a distributor or the curtailment or interruption of gas distribution services under an emergency situation shall not constitute a breach of contract between the distributor and a firm distribution service customer.
The clause should be amended as above to improve clarity.

~~7.4.~~ EXPANSION AND CONNECTION TO A DISTRIBUTION SYSTEM~~4.1~~ ~~4.1~~ Filing Requirements

This whole section 4 needs to be re-written in a manner more consistent with the Task Force Report. This was a non-contentious section of the Task Force Report. The distributor's obligations regarding connecting "on-main" consumers are materially different from those regarding system expansion and are specifically referenced in the legislation. The legislation should be the starting point when positing the policy/rule regarding access to distribution services. The Rule in this section, seems to be unnecessarily onerous and prescriptive. It appears to go beyond existing legislation in curtailing the distributor's ability to run its business by implying when and how it decides to make its capital investments. EBO 188 is a guideline which the distributors apply to determine whether an expansion request meets the economic criteria that qualify the expansion for inclusion in rate base for rate-making purposes. It does not require a distributor to make investment in any system expansion.

- 4.1.1. A distributor shall file with the Board its written policy statements ~~and implementation guidelines associated with each of the following topics:~~
- ~~expansion of service;~~
 - ~~-project feasibility (stand alone, as a component of the investment portfolio and of the rolling portfolio, and standard rate impact);~~
 - ~~-customer feasibility;~~
 - ~~-customer connection;~~
 - ~~-customer initialization;~~
 - ~~distribution system inspection;~~
 - If there is to be a reference on distribution system inspection in the Rule, and it is warranted, it probably more appropriately belongs in Section 2 and would simply refer to the underlying legislation.
 - ~~-financial contributions; and~~
 - ~~environmental screening criteria and corresponding planning, documentation and reporting requirements.~~

The Board may review, and recommend the amending of, any of these policies.

The policy statements will include sufficient detail to ensure understanding of the

- 4.2.1 Where a request for expansion of service in a distributor's franchise area is received, the distributor shall acknowledge the request within five business days of receipt, and provide an estimate of the time required to respond to the request. The distributor's response shall be in accordance with the guidelines set out in the E.B.O. 188 Report. If the distributor is able to expand service but the project does not achieve the feasibility requirements of E.B.O. 188, the distributor may require that a financial contribution be made, in accordance with the E.B.O. 188 Report, or a security arrangement be entered into, in accordance with the Board approved security arrangement policy, or both.
- 4.2.2 Where a distributor receives a request for connection to an existing distribution system, the distributor shall apply the relevant portions of the policy filed with the Board under paragraph 4.1. The distributor may require a financial contribution, or that a security arrangement be entered into, or both.

~~4.2.3~~ ~~4.2.3~~—Where a person is connected to a distribution system but is not taking delivery of gas and requests that delivery of gas commence, the distributor shall apply its customer initialization policy and the person shall be eligible for service according to the rate schedule approved by the Board or, if the distributor is not subject to section 36 of the Act, the relevant rate making authority. The distributor may require that a financial contribution be made, in accordance with the E.B.O. 188 Report, or a security arrangement be entered into, in accordance with the ~~Board approved~~ security arrangement policy per section 10 of this policy; rule, or both. The distributor, or its authorized agent or contractor, shall inspect all distribution systems in accordance with sections ~~15.2~~ and ~~18.17~~ of the Energy Act (R.S.O. 1990, c.E 16) prior to gas delivery commencing.

Security arrangement references should be consistent with other parts of the rule.

~~4.2.4~~ ~~4.2.4~~—A distributor shall apply its financial contributions policy in a non-discriminatory, ~~non-preferential~~ manner.

What specific aspect is covered by the term “non-preferential” that isn’t covered by “non-discriminatory”?

9.STANDARD SERVICE OFFERING.

STANDARD SERVICE OFFERING-

(As noted in the General Comments, in Union's view the distribution access rule cannot deal with any conditions of access to a Standard Supply Offer because the legislative framework does not provide for it. As well, the Task Force did not recommend that SSO should be addressed in the Distribution Access Rule. In fact there was concensus amongst the Task Force members that SSO should be addressed through a separate proceeding.)

- ~~5.1 As of the date that this Rule comes into force a distributor's bundled system gas product shall be known as Standard Supply Offering ("SSO").~~
- ~~5.2 Distributors shall be the only providers of SSO service.~~
- ~~5.3 Where a distributor is subject to rate regulation under section 36 of the Act, SSO shall be a "rate" for the purposes of that section, and a distributor shall not provide SSO except in accordance with an order of the Board. Where section 36 of the Act does not apply to a distributor, the price for that distributor's SSO shall be set by the authority which sets that distributor's rates.~~
- ~~5.4 A distributor may not alter any component of SSO or reconfigure the bundle of goods and services which constitute its SSO service without the prior approval of the Board or, if the distributor is not subject to section 36 of the Act, the relevant rate making authority.~~
- ~~5.5 SSO shall consist of the same services and be offered in the same manner to all customers of the distributor.~~
- ~~5.6 Distributors shall not refuse to provide SSO to any customer if the customer requests SSO or, subject to sections 7.6 or 11.1 of this Rule, if a marketer serving a customer requests a transfer of that customers to SSO. Distributors may require security as set out in Part 10 of this Rule, with respect to the provision of SSO service.~~
- ~~5.7 Any complaints concerning access to, the provision of, or the operation of SSO shall be dealt with through the complaint settlement process, as set out in Part 12 of this Rule.~~

6. DISTRIBUTOR-MARKETER RELATIONS

~~6.1 6.1~~—Distributors shall conduct all commercial relations in providing regulated services to ~~with~~ marketers ~~on a non-discriminatory, on-~~ in a non-discriminatory manner, non-preferential ~~basis.~~

The proposed amendment improves the clarity as to the relations to which section 6 applies, and removes redundancy and, potential mis-understandings by removing “non-preferential”.

6.2 If a distributor changes a customer’s account number, five business days after the ~~prior~~ ~~to the~~ account number change the distributor shall provide to each affected marketer:

- the customer’s name;
- the service address;
- the former account number; and
- the new account number.

Assuming that there isn’t a commercially pressing reason for the marketer to have this information before the account # is actually changed, it would be much less costly and more reliable to provide this information within 5 days of the change or later as agreed to with the marketer. The timing in the draft rule cannot be met at present.

6.3 A distributor shall enter into a standard Service Level Agreement with a marketer who intends to provide, or offers to provide, commodity gas service in the distributor’s franchise area. The standard Service Level Agreement shall include provisions regarding the processing of STRs. (SLA)

6.3.1 Cooperative marketing programs between a marketer and a distributor shall be subject to a Service ~~Legal~~ Level Agreement, and shall be offered on the same terms to all marketers without discrimination ~~or preference.~~ (SLA)

6.3.2 All distributors, within 60 days of the issuance of this Rule, shall submit their standard Service Level Agreement to the Board for approval. (SLA)

specified in Part 12 of this Rule with respect to the implementation of or the operation of the standard Service Level Agreement in whole or in part. [\(SLA\)](#)

7. SERVICE TRANSFER REQUESTS

7.1 Customer Choice

7.1.1 ~~7.1.1~~—A distributor shall take direction from a customer in accordance with a Service Transfer Request (“STR”) as set out in this Rule. In cases where there is a dispute about the status of a transfer request, the distributor will conform to the customer’s final direction. This direction may be verbal if received directly from a customer, but must be in writing if received from a marketer.

The specific rules about how STRs should be communicated and actioned should consider the current and near term advantage, standardized and electronic (internet based information exchange) processes have to offer. These result in quicker turn around time, fewer errors, lower processing costs. The rule should not impede but encourage such approaches.

7.2 STR information requirements

7.2.1 An STR shall include the following information:

- the customer’s name and distribution service account number (s);
- service address for which the change in service is requested;
- the type of gas purchase arrangement; and

~~the earliest date after which transfer of the account is acceptable to the marketer or the customer or the specific date on which the transfer is requested.~~

The last bullet should be removed. Union’s proposal is that the consumer supplier transfer normally take effect on the 1st of the month and not on the regular meter read date. This is because the underlying direct purchase contracts between the distributor and the marketer begin on the 1st of the month.

7.2.2 An STR may include the following information depending on the STR’s specific purpose and the distributor’s ability, as agreed to with the marketer, to cost effectively provide in a timely manner:

- an indication of whether or not a marketer will accept all accounts operating under the same name at a single address if multiple accounts are found and if the service request does not identify all account numbers at the address;
- the customer’s mailing address;

option, usage history, meter information, credit information)

· billing option

The proposed change is added so that it is understood that the information listed above may or may not appear in every STR. It really depends on the STR's specific purpose (eg. a request for usage history would not also include credit history) and the distributor's and marketer's agreement as to what is possible.

7.2.3 In the absence of information regarding finalizing the account, a distributor shall check its marketer account set-up files to determine:

- whether or not there is a default position regarding how to handle final reads;
- desired meter services including the date upon which any change in service is desired;
- desired billing option.

7.2.4 For a change in customer location, the STR sent by the marketer shall include:

- whether or not the customer wishes to retain the same gas supply arrangements

7.2.5 For a change in billing option~~format~~, the STR shall include:

- the current billing format, the desired new billing format, and the date on which the change in billing format is to commence.

It might be clearer to describe as an "option" rather than format; format sounds like it has to do with what appears on the bill and how the bill looks.

7.3 Processing and verifications of STRs

7.3.1 A customer requesting the execution of an STR shall provide the STR to its distributor or to an authorized agent who will provide it directly to the distributor on the customer's behalf. Upon receipt of an STR, a distributor shall physically or electronically stamp the STR with the receipt date and time and the identity of the recipient. The distributor shall provide the customer or agent with confirmation that the STR was received by the distributor. An agent shall provide such confirmation to the customer, if requested.

7.3.2 A distributor shall verify that the customer identification fields of the STR are accurate.

The distributor should not have to police whether the marketer has the consumer's written authorization. The marketer's license and code of conduct are in place to ensure that the marketer behaves appropriately. The marketer should be responsible for their own behaviour. Where complaints or disputes arise, it is an issue to be resolved between the consumer and the marketer in the first instance, and adjudicated by the OEB in the event resolution was not achieved by the consumer and the marketer directly.

- 7.3.3 It is not necessary for a marketer to provide written authorization whenever an STR is submitted; written authorization must be provided if requested by the distributor.
- 7.3.4 Distributors shall process STRs as expeditiously as possible; in no instance shall the time period for the processing of an STR exceed sixty days from the last day in the month the STR was submitted.

7.4 Change from Standard Supply Offering to competitive supply

- 7.4.1 An STR requesting the transfer of a customer from SSO to a marketer shall be submitted by the customer or the marketer.
- 7.4.2 Upon receipt of such an STR, a distributor shall verify whether natural gas supply is currently being provided by a gas marketer or if a request to transfer service to another marketer is pending. If a customer is currently served under SSO and no request to transfer service is pending, a distributor shall process the transfer. If a customer is currently served by a marketer or, a request to transfer service is pending, a distributor shall process the new request as described in section 7.5 of this Rule.
- 7.4.3 A transfer from SSO to a marketer shall take effect on the first of the month, date the meter is next read. ~~Where a transfer is scheduled to take effect on the date of the next scheduled meter read, the distributor shall notify the requesting party of the scheduled date unless the requesting party has advised the distributor that notification is unnecessary. If the requesting party is a customer, a distributor shall also notify the marketer of the scheduled date.~~ The requesting party may request that the distributor schedule a special meter read.

- ~~-a special meter read outside the normal business hours at a special charge to the requesting party; or~~
- ~~-processing the transfer based on a card or phone-in read by the customer; or~~
- ~~· an estimate, if all parties agree in writing to this arrangement.~~

~~7.4.5~~ 7.4.5—A special meter read shall be paid for by the requesting party ~~based on a rate approved by the Board under section 36 of the Act~~. If a transfer is terminated because of a failure to complete a special meter read, the requesting party shall not be charged for the failed meter read attempt.

Union does not agree that such services should be rate-regulated.

- 7.4.6 Where the customer, the marketer and the distributor agree, a transfer may take effect on a date other than the 1st of the month ~~date of an actual meter read~~. The final bill may be based on:
- historical actual meter read; or
 - card or phone-in (including e-mail or fax) customer read; or
 - estimated read, if the customer, the marketer and the distributor agree in writing.

7.5 Change from one marketer to another marketer

- 7.5.1 An STR involving a transfer from one marketer to another shall be submitted to a distributor by a customer or by the marketer who proposes to supply the customer. A distributor shall notify the marketer of the identity of the current marketer and wait ten business days before continuing transfer processing. During the ten day waiting period the marketer who proposes to supply the customer shall notify the current marketer that it has submitted an STR to become the customer's supplier of natural gas. If no response is received from the current marketer, the request shall be processed. The current marketer may request that the distributor delay processing the STR for an additional ten business days, commencing from the conclusion of the initial ten day period, to allow time for the current marketer to verify that the customer wishes to be released from his current contract. If, at the end of the second ten-business-day period, the distributor has not received written authorization from the customer to cease processing, the transfer request shall be completed. If the customer, the new marketer, or the current marketer acting upon specific written authorization from the customer,

- 7.5.2 In the event that an STR is received by a distributor and there exists both a current marketer and a pending STR (an initial request), the distributor shall follow the process described in section 7.5.1 to process the initial request. Once that request has been dealt with, the distributor shall apply the same process to the second STR.
- 7.5.3 Where the customer, the marketer and the distributor agree, a transfer may take effect on a date other than the date of an actual meter read. The final bill may be based on:
- historical actual meter read; or
 - card or phone-in customer read; or
 - estimated read, if the customer, the marketer and the distributor agree in writing

7.6 Change from a marketer to Standard Supply Offering

- 7.6.1 An STR involving a transfer of a customer from a marketer to SSO may be submitted by either the current marketer or the customer.
- 7.6.2 Distributors shall not decline an STR to SSO for reasons of non-payment by the customer of either commodity or distribution or other non-commodity services.

~~7.6.3~~ ~~7.6.3~~—If the STR is submitted by a marketer, the distributor shall notify the customer that a transfer is taking place and of the scheduled transfer date. If the customer wishes to terminate processing the customer must give direction to (whom?) do so in writing, and the STR shall not be processed.

Clarification is needed in the event that the marketer indicates that they no longer want to serve the consumer and the consumer tells the distributor that they want to stay with the marketer.

~~7.6.4~~ ~~7.6.4~~—If the STR is submitted by a customer, the distributor shall notify the affected marketer and delay processing for ten business days, unless the marketer responds that no delay is necessary. If, during the ten day waiting period, the distributor is notified in writing by the customer or the marketer that processing should be terminated, the distributor shall cease processing the STR. ~~If the request to cease processing is received from a marketer, it must be accompanied by specific written authorization from the customer dated no earlier than the date that the current marketer is informed of the transfer request.~~—The distributor shall notify the marketer, and confirm to the customer,

be based on:

- historical actual meter read; or
- card or phone-in customer read; or
- estimated read, if the customer, the marketer and the distributor agree in writing.

7.7 Change the in-franchise service address of the commodity supply arrangement with a marketer

7.7.1 A distributor shall change the service address of an in-service area customer upon receipt of a verbal or written STR from a customer or a written STR from the customer's current marketer.

7.7.2 If a customer initiates the STR, the distributor shall communicate the requested change to the affected marketer. If a marketer submits the STR, the marketer shall provide written authorization for the change from the customer upon the distributor's request.

7.7.3 If a marketer initiates the STR a distributor shall:

- communicate the request to the customer; and
- provide the marketer, on a timely basis, with a report providing the old distribution services account number, the new distribution services account number and the new service address.

~~15.8.~~ 8. CUSTOMER INFORMATION

8.1 Limitations

~~8.1.1~~ — Distributors ~~may shall~~ collect data necessary to provide the services they offer or distribution services to provide SSO or for the purpose expressly set out in the Service Level Agreement and for no other reason. (SLA)

8.1.1

The distributor has the right to collect information necessary for it to conduct its business. This has to be characterized in broad terms. Union is not just a distributor but is also a transmission and storage provider, and with OEB approval, a gas seller and a provider of NGV and ABC services.

8.1.2 A distributor shall not release any data provided by the customer or information derived therefrom to anyone other than:

- the customer;
- appropriately authorized law enforcement agencies conducting investigations and who require information on the customer(s) for the purposes of the investigation;
- appropriately authorized credit reporting agencies;
- collection agencies if the customer is in arrears as per the distributor's policies;
- the authorized billing agent(s) of the customer in question;
- the customer's agent with written authorization, who shall have access to usage data, meter data, payment information and meter configuration information; or
- the Board.

· For billing or market operation purposes

This criteria is necessary to allow for third party arrangements to provide operational or billing services. A similar criteria appears in the Affiliates Relationship Code for Gas Utilities.

8.1.3 A distributor shall not release any data provided by a marketer, or information derived therefrom, to any one other than:

- the marketer;
- appropriately authorized law enforcement agencies conducting investigations and who require information on the marketer for the purposes of the investigation;

8.2 Retention of Information

8.2.1 A distributor shall maintain an accurate data bank of the twelve most recent billing periods for all customers who purchased distribution services and shall maintain an archive of the data from periods previous to that as required by the relevant statutes and Measurement Canada. For customers who previously purchased distribution services, the distributor shall maintain data gathered at any time during the past 12 billing periods ~~eyeles~~.

8.2.2 The distributor shall maintain the following minimum information on all customers who purchased distribution services within the past 12 billing periods:

8.2.2.1 for identification purposes:

- the customer's name;
- the service address;
- the billing address;
- the distribution services account number;
- the meter number;
- customer telephone number

8.2.2.2 for billing purposes:

- distribution services contracted for;
- units of consumption, estimated or actual, by billing period;
- meter reading dates;
- dates of bills rendered based on actual meter readings;
- dates of bills rendered based on estimated meter readings;
- dates of bills rendered based on methods other than actual or estimated meter readings;
- method of bill calculation;

It is not clear as to what "method of bill calculation" means.

8.2.2.3 for payment profile purposes:

- payment due dates, payment receipt dates;
- number of times delinquent or in arrears in past 12 billing periods;

8.3 Release of information

8.3.1 The customer may request, in person or in writing, that the distributor provide any of the information identified in section 8.2.2. The distributor shall record the date of each request to provide data. The distributor shall make reasonable efforts to provide the requested data in hard copy or electronic format within five business days of receiving such a request.

Some flexibility is required, depending on the # of requests the distributor has to handle. It may not be resourced to handle a spike within the 5 day time line.

~~8.3.2~~ ~~8.3.2~~—The customer may, by providing written authorization, authorize a marketer or an agent to have access to the data identified in section 8.2.2 and gathered and maintained by the distributor for that customer. The distributor shall record the date of each such request to provide data. The distributor shall make reasonable efforts to provide the requested data in hard copy or electronic format within five business days of receiving such a request.

Some flexibility is required, depending on the # of requests the distributor has to handle. It may not be resourced to handle a spike within the 5 day time line.

~~8.3.3~~ ~~8.3.3~~—When a distributor provides customer information in response to a duly authorized request it shall provide only the requested data or information.

There should be some form of discretion, within confidentiality rules. Otherwise the use of standardized reports is precluded.

8.3.4 In those instances where a party other than a customer is requesting customer information on the grounds that they are authorized in writing to do so by the customer, the distributor may require that the requesting party provide the written authorization. The requesting party shall provide such authorization within three business days of being required to do so. The distributor shall not release any such requested information unless and until such written authorization is provided.

8.3.5 If a distributor assigns new account numbers to customers of a marketer, the distributor shall provide each marketer with a report detailing the customer's new distributor account number, the customer's name, the customer's service address and the customer's old distributor account number.

~~8.4.2~~ ~~8.4.2~~—The customer, or its duly authorized agent, shall be allowed to interrogate the ~~meter used distributor’s meter by the distributor for the purposes of measuring consumption for the purposes of billing~~ using any ~~device which satisfies~~ device. The interrogation must satisfy the distributor’s technical requirements, ~~be~~^{is} in compliance with Industry Canada’s requirements, and ~~does~~ not impair or impede the ability of the distributor or its agent to read the meter at normally scheduled times.

The prior wording was confusing. The wording should also ensure that any “liabilities” that may result from the interrogation are the responsibility of the interrogator not the distributor.

~~17.9.~~ BILLING

9.1 Customer Choice

9.1.1 The customer, or the marketer with the written authorization of the customer, shall elect the format in which the bill is to be rendered.

9.2 Marketer's obligation

9.2.1 The marketer shall be responsible for providing accurate and complete information so that orderly bill processing is facilitated.

9.3 Billing Options

9.3.1 Distributors shall offer marketers ~~two~~ ~~three~~ billing options.

9.3.1.1 Distributor consolidated billing - the customer shall receive one bill issued by the distributor; the bill shall inform the customer of the amount owing, the date due and the individual components of the bill. A minimum of two components shall be shown on the bill: the billed amount for distribution services and the billed amount for commodity;

9.3.1.2 ~~Marketer consolidated billing—the customer shall receive one bill issued by the marketer; the bill shall inform the customer of the amount owing, the date due and the individual components of the bill. A minimum of two components shall be shown on the bill: the billed amount for distribution services and the billed amount for commodity;~~

As indicated in the general comments, marketer consolidated billing is not within the scheme of the Act and if contemplated by the Board should be the subject of a full public hearing.

9.3.1.3 Split billing - the customer shall receive two bills; one bill shall be issued by the marketer and shall inform the customer of the amount owing for commodity gas and the due date. The other bill shall be issued by the distributor and shall inform the customer of the amount owing for distribution services and the due date. Either or both bills may present the supporting components used to derive the billed amount.

- ~~material which it is obligated to send to customers as part of its regulated function;~~
- ~~only the marketing and promotional material which it makes available to any or all other prospective customers of SSO service.~~

As indicated in the general comments, the distribution access rule cannot deal with any conditions of access to a Standard Supply Offer because the legislative framework does not provide for it.

9.5 Marketer Consolidated Billing

- 9.5.1 ~~Where marketer consolidated billing is to be used to render bills to customers, the distributor shall ensure, through the SLA with each marketer, that relevant safety information is included in bills to customers.~~

As indicated in the general comments, the distribution access rule should not deal with any conditions of access to a marketer consolidated billing because it is inconsistent with the legislative framework does not provide for it.

~~19.10.~~ SECURITY ARRANGEMENTS

10.1 Policy filing requirement

10.1.1 A distributor shall prepare and maintain a written policy describing its security arrangement requirements. This written policy shall be provided by the distributor to any party who requests a copy of the policy. A distributor shall file its security arrangements policy with the Board. Updates, revisions and changes to the security policy shall be filed with the Board five business days prior to implementation.

10.2 Policy requirements

10.2.1 A distributor's security arrangements policy shall be non-discriminatory and non-preferential, in particular, it shall treat like credit risks in like fashion.

10.2.2 A distributor's security arrangements policy shall establish the limits, obligations, and rights of the distributor to require and enter into security arrangements for those business arrangements where the distributor extends credit and is at risk of either non-payment with respect to the provision of distribution services or SSO.

10.3 Policy parameters

10.3.1 A distributor may require any of the following to enter into security arrangements;

- a customer;
- an embedded distributor who receives distribution services from the distributor; or
- a marketer.

10.3.2 A distributor may request security in the following forms:

10.3.2.1 from a low volume customer;

- cash deposit;
- [credit rating](#)

10.3.2.2 from a customer, other than a low volume customer;

- irrevocable ~~letterline~~ of credit;
- bond or credit rating;

10.3.2.4 from a marketer;

At the marketer's discretion and within the distributor's policy:

- cash deposit;
- irrevocable line of credit;
- surety bond;
- lock box arrangement with a financial institution;
- bond or credit rating.
- assets eg. inventory
- set-off rights

10.3.3 If bond or credit ratings are provided, and the distributor finds that additional security is required, the distributor shall impose similar security requirements on similarly rated persons.

10.3.4 If security requirements are satisfied by cash deposit, a distributor shall pay interest at the lesser of the customer deposit interest rate or the prime rate charged by the distributor's bank. A marketer may require that cash be held in a low-risk interest bearing account.

10.3.5 The maximum amount of security to be provided shall be determined on the basis of the value of those goods or services which are provided by the distributor and consumed by the customer before payment for those goods or services has been made, and for which the distributor has assumed a risk of either partial or full default in payment.

10.3.6 The maximum security required shall not exceed:

10.3.6.1 for distributor consolidated billing:

- the maximum anticipated exposure under the Balanced Gas Account(s) in accordance with the provisions of the relevant approved rate schedules.

10.3.6.2 for split billing:

~~10.3.6.3 for marketer consolidated billing:~~

- the sum of the amounts for delivery service only, calculated for each customer class as follows:
- the number of customers in the class served by the marketer, multiplied by the average delivery charges for the class estimated for the month which is forecast to have the highest delivery charges for the year, multiplied by a one month weighting factor of:
 - 2.5 for monthly billings;
 - 1.75 for bi-monthly billings;
 - 1.5 for quarterly billings;

plus the estimated charges for storage and transportation contracted directly by the marketer from the distributor for the month during which the bill is expected to be the highest, multiplied by 2.5.

- [the maximum anticipated exposure under the Banked Gas Account\(s\) in accordance with the provisions of the relevant approved rate schedules i.e bundled DP](#)

10.4 Revision of security arrangement

- 10.4.1 The amount of security provided to the distributor may be revised from time to time by the distributor at its initiative or at the request of the party providing the security.
- 10.4.2 If the currently calculated maximum required security is ten percent greater than the previously calculated maximum required security the distributor may request that the security be increased and the security provider shall comply with the new requirement within twenty business days.
- 10.4.3 If the currently calculated maximum required security is less than ninety percent of the previously provided security the distributor shall notify the security provider immediately and the security provider may modify its security arrangement.

~~10.4.4~~ 10.4.4 If security has been rendered in the form of a cash deposit, the distributor shall, if requested, return any excess security to the party who provided the security within twenty business days of the date on which the request to recalculate the required security was

~~21.11.~~ FINANCIAL DEFAULT BY MARKETERS

11.1 Procedures

11.1.1 If a marketer fails to pay an amount due to a distributor under a Service Level Agreement, the distributor shall notify the marketer the day after a payment was due but not received that the payment is overdue. If a marketer's account with a distributor is in arrears, the distributor shall not take any funds available through the relevant security provision until five business days have elapsed from the date payment was due. If the account remains unpaid after ten business days, and the parties have not agreed on a remedy, the distributor may notify the marketer's customers that they will be transferred to SSO according to a schedule specified by the distributor, unless those customers elect to be served by another marketer. The distributor shall not transfer a customer to SSO before at least 10 business days have elapsed. (SLA)

11.1.2 If a customer so notified requests a transfer to a new marketer by way of an STR, prior to the distributor switching the customer to SSO, the distributor shall transfer the customer to the new marketer.

It is unclear why the rule has to have a section on "default procedures" which include rules which impinge on the distributor's ability to manage risk. It seems overly intrusive. As long the distributor's procedures are within the intent of the security arrangement policy, it should be left to the distributor to best manage its business risk and work out such details with the marketers as what exactly triggers additional security, or the basis of interest calculation on cash deposits.

11.2 Revenue retention

~~11.2.1~~ ~~11.2.1~~ During the period when a marketer is in default, a distributor shall not retain any revenues collected by the distributor on behalf of the marketer as a security in excess of the defaulted amounts or as consistent with security arrangements.

An "off-set" may be an agreed security arrangement.

11.2.2 A distributor shall charge a marketer interest on any overdue amounts at a rate equal to

~~22.12.~~ COMPLAINT PROCEDURES

- 12.1 A distributor shall file with the Board its complaint handling policy and make a copy of the policy available to anyone who requests it.
- 12.2 Complaints regarding the application of this Rule or the compliance of a distributor with this Rule shall be submitted to the distributor in writing. The complaint is to describe the nature of the complaint including identification of the specific rule which is considered violated Documentation of complaints shall be available for public inspection at the distributor's offices during normal business hours.
Requiring the complainant identify the specific rule should reduce the number of frivolous/ in appropriate complaints at the beginning of the process, thereby saving time for all.
- 12.3 The distributor shall designate an employee (the "Designated Employee") for the purpose of dealing with complaints, and this person shall be identified to the Board.
- 12.4 The Designated Employee shall acknowledge all complaints in writing within five business days, unless the complainant indicates that written acknowledgment is not required.
- 12.5 The distributor shall make its best efforts to resolve the complaint, and the Designated Employee shall respond to the complaint within 21 days of its receipt. The response shall include a description of the complaint and the response of the distributor to all issues of contention identified in the complaint.
- 12.6 A record of all complaints, and responses of the distributor shall be kept for a period of three years and shall be made available for inspection by the Board.
- 12.7 If a complaint is not resolved, the complainant, after receiving the response of the distributor, may refer the complaint to the Board. Any referral to the Board of a complaint must be made in writing and shall include the response of the distributor to the complaint.