

**DRAFT GAS DISTRIBUTOR ACCESS RULE**

**BOARD STAFF'S DRAFT FOR CONSULTATION**

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## **GENERAL AND ADMINISTRATIVE PROVISIONS**

### **1. Purposes of the Gas Distributor Access Rule**

- 1.1.1 The purposes of the Gas Distributor Access Rule are:
- 1.1.2 to provide the principles which govern the business dealings of gas distributors with respect to marketers and customers;
- 1.1.3 to set out the standards and protocols that gas distributors are to adhere to;
- 1.1.4 to identify the dispute resolution process gas distributors must provide; and
- 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.

### **1.3 Definitions**

In this Rule:

“Act” means the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B;

“Board” means the Ontario Energy Board;

“balanced 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 offices are open for business;

“customer” means a person who purchases distribution services;

“distribution services” means services related to the delivery of gas 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;

“distributor” means a person who delivers gas to a customer;

“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;

“emergency gas leak response service” means the expeditious response to a gas leak for the purpose of ensuring immediate safety and does not include diagnosis or repair of the underlying cause of the 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;

“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;

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

“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;

“low-volume consumer” means a person who annually uses less than the amount of gas prescribed by regulation 624/98 under the Act, or amendments to that regulation;

“marketer” means a person who,

- a. sells or offers to sell gas to a low volume consumer,
- b. acts as the agent or broker for a seller of gas to a low-volume consumer, or
- c. acts or offers to act as the agent or broker of a low-volume consumer in the purchase of gas,

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

“rate” means any rate, charge or other consideration 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;

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

“service transfer 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;

“Standard Supply Offering” means the standardized sale of gas by a distributor 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;

#### **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**

1.5.1 This Rule applies to all gas distributors operating in the Province of Ontario.

#### **1.6 Coming into Force**

1.6.1 This Rule shall come into force on the date that the Board issues it as a final Rule, subject to section 1.7.1.

1.6.2 Sections 7.5 and 7.6 shall not come into force until the later of April 1, 2000 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.

## **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 within an area for which a distributor holds a valid Certificate of Public Convenience and Necessity granted by the Board.

### **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 A distributor shall be solely responsible for providing:

- emergency gas leak response service within its franchise area;
- line locate service within its franchise area;
- appliance inspection service within its franchise area; and
- safety information service within its franchise area.

### **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.

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

### **3. EMERGENCY SUPPLY PLANNING**

#### **3.1 Supply priority**

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 may curtail or interrupt the provision of gas and distribution service(s) to firm customers who:

- are able to utilize alternative fuel(s);
- are able to shut down non-space heating applications;
- 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).

#### **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 A distributor shall not realize a profit or loss as a result of an emergency and any reallocation of gas.

3.2.3 The deemed purchase price will be calculated based upon documentation provided by the curtailed or interrupted customer to the distributor upon the cessation of the emergency, which supports the claimed purchase price. The claimed purchase price may include:

- all commodity costs; and
- all charges incurred to convey the gas from the point at which title is assumed by the distributor to the delivery point at which the curtailed or interrupted firm service customer would have otherwise consumed the reallocated gas volumes.

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.

**3.3 Not a breach of contract**

- 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.

## **4. EXPANSION AND CONNECTION TO A DISTRIBUTION SYSTEM**

### **4.1 Filing Requirements**

- 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;
  - 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.

### **4.2 Expansion of Service**

- 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 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, or both. The distributor, or its authorized agent or contractor, shall inspect all distribution systems in accordance with sections 15 and 18 of the Energy Act (R.S.O. 1990, c.E 16) prior to gas delivery commencing.

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

**5. STANDARD SERVICE OFFERING**

- 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 Distributors shall conduct all commercial relations with marketers on a non-discriminatory, non-preferential basis.
- 6.2 If a distributor changes a customer's account number, five business days 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.
- 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.
- 6.3.1 Cooperative marketing programs between a marketer and a distributor shall be subject to a Service Legal Agreement, and shall be offered on the same terms to all marketers without discrimination or preference.
- 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.
- 6.3.3 Distributors shall adhere to the standard Service Level Agreement unless mutually agreeable alternative terms and conditions are negotiated with a marketer. Any alternative terms and conditions shall be filed with the Board and may be subject to review by the Board.
- 6.4 Either party to a Service Level Agreement may invoke the complaint settlement process 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.

## **7. SERVICE TRANSFER REQUESTS**

### **7.1 Customer Choice**

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. This direction may be verbal if received directly from a customer, but must be in writing if received from a marketer.

### **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.

7.2.2 An STR may include the following information:

- 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;
- meter identification number;
- the requesting marketer’s customer account number
- the requesting marketer’s account number with the distributor;
- the preferred method for finalizing the account (e.g. next scheduled read date, special read; last actual read if allowed; or a card, phone-in or estimated read, if agreeable to all relevant parties);
- desired customer-specific information (e.g. mailing address, preferred billing option, usage history, meter information, credit information)

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 shall include:

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

- 7.2.5 For a change in billing 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.

### **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 stamp the STR with the receipt date 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. A distributor shall maintain and take every reasonable action to assure that its data base is valid, accurate and timely. A distributor shall verify that the following customer identification fields are provided and are correct:

- distributor account number(s);
- customer's name and service address; and
- type of direct purchase arrangement
- a statement that the marketer has written authorization from the customer.

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.

### **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 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.
- 7.4.4 If a transfer is to occur on the next scheduled meter read date and the meter cannot be read, the distributor shall undertake a special meter read within five business days following the scheduled meter read. This special meter read shall be undertaken at no charge to the requesting party. In the event that a special meter read is not successful, the distributor and the requesting party shall negotiate a mutually agreeable date for the meter to be read, or agree to terminate the STR. Potential arrangements may include:
- 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 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.
- 7.4.6 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.

## **7.5 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, notifies the distributor in writing that the transfer should be terminated the distributor shall cease transfer processing. If the customer requests that processing be terminated the customer shall provide the current marketer with written authorization dated no earlier than the date that the current marketer is informed of the transfer request. The party that submits the termination request shall notify the other two parties that processing has been terminated.

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 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 do so in writing, and the STR shall not be processed.

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, that the transfer will not be completed. If no notification to terminate processing is received by the distributor, the STR shall be processed.

7.6.5 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.

**7.7 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.

## **8. CUSTOMER INFORMATION**

### **8.1 Limitations**

8.1.1 Distributors shall collect data necessary to provide distribution services to provide SSO or for the purpose expressly set out in the Service Level Agreement and for no other reason.

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.

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;
- appropriately authorized credit reporting agencies;
- collection agencies if the marketer is in arrears per the distributor's policies;
- the authorized billing agent(s) of the marketer in question;
- bodies with whom the distributor is legally required to file such data or information; or
- the Board

### **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 cycles.

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;

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;

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;
- maximum credit exposure in past 12 billing periods;
- number of times security arrangements revised in past 12 billing periods;

8.2.2.4 for cumulative consumption information:

- rolling 12 month cumulative consumption data by individual distribution service consumed.

### **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 provide the requested data in hard copy or electronic format within five business days of receiving such a request.

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 provide the requested data in hard copy or electronic format within five business days of receiving such a request.

- 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.
- 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, 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 Meter accessibility**

- 8.4.1 The customer shall have unfettered access to the meter(s) used by the distributor to measure the units of consumption which form the basis for billing the customer, provided that such access does not interfere with the operation or function of the meter.
- 8.4.2 The customer, or its duly authorized agent, shall be allowed to interrogate the meter used by the distributor for the purposes of measuring consumption for the purposes of billing using any device which satisfies the distributor's technical requirements, 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.

## **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 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;

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.

### **9.4 SSO billing**

9.4.1 When a distributor issues a bill to a customer for Standard Service Offering, it shall not convey any marketing or promotional material provided by any marketer. The distributor may include:

- 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.

**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.

## **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;

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

- cash deposit;
- irrevocable line of credit;
- lock box arrangement with a financial institution;
- bond or credit rating;

10.3.2.3 from an embedded distributor who receives distribution services from the distributor;

- cash deposit;
- irrevocable line of credit;

- bond or credit rating;
- 10.3.2.4 from a marketer;  
At the marketer's discretion:
- cash deposit;
  - irrevocable line of credit;
  - surety bond;
  - lock box arrangement with a financial institution;
  - bond or credit rating.
- 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:
- 2.5 times the highest monthly bill expected to be incurred over a continuous 12 months for storage and transportation services directly contracted for by the marketer.
- 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.

#### **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 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 submitted.

## **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.
- 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.

### **11.2 Revenue retention**

- 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.
- 11.2.2 A distributor shall charge a marketer interest on any overdue amounts at a rate equal to the prime rate charged by the distributor's bank plus 2 percent per annum.

**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. Documentation of complaints shall be available for public inspection at the distributor's offices during normal business hours.
- 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.