



July 8, 2003

Ontario Energy Board
P.O. Box 2319
2300 Yonge St.,
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Toronto, Ontario
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Attn: Paul Pudge
Board Secretary
RP-2002-0146

Dear Mr. Pudge:

Please find below comments on the proposed amendments to the Distribution System Code and the Retail Settlement Code.

Section 2.4.9

The non-residential customers' business is dependent on economic conditions and they can have a good payment history until these economic conditions change. As such, we think the non-residential customers should not have their deposit returned similar to the distributors or LDC's prudential requirement with the IMO.

Section 2.4.10

Distributors have varying schedules for issuing disconnection notices. In some cases, such as with monthly billing, the customer is allowed two billings to go past due before issuing a disconnect notice but section 9.3.5 of the Standard Application of Rates and Charges (SAR) allows a minimum of 7 days after the initial due date before issuing a disconnect notice. We currently issue monthly billing for both Residential and General Service customers. If the first bill goes past due, the second bill contains a message which acts as the reminder notice. If the customer allows the second bill to go past due, a disconnect notice is issued 7 days after the second due date.

In order to provide consistency, we recommend that a defined number of days for payment after the initial due date be stipulated, (e.g. fourteen), as this will essentially allow a minimum of 30 days for payment depending on the number of days the utility allows between the billing date and due date.

This recommendation will essentially give the customer the benefit of a reminder notice rather than following section 9.3.5 of the SAR which will require many utilities to pursue a more aggressive collection process.

For the purposes of section 2.4.9, a consumer is deemed to have a good payment history if, during the time period set out in section 2.4.9, the customer has *made no more than one payment fourteen days after the due date*, received no more than one disconnection notice from the distributor, no cheque given to the distributor by the consumer has been returned for insufficient funds, no pre-authorized payment to the distributor has been returned and no disconnection / collect trip has occurred, if any of the preceding occurs due to an error by the distributor, the consumer's good payment history shall not be affected.

Section 2.4.11 (b)

An "acceptable credit check" needs to be better defined or noted that the credit checking procedures are left to the distributor's discretion.

Section 2.4.12

Within this section it is not clear what is meant by the terms "class and sub-class". A definition of these terms is required.

Section 2.4.14

This section stipulates that the distributor shall use 4.3 cents per kWh as the commodity price of electricity for consumers. It should be noted that this requirement terminates on until May 1, 2006 or as legislation changes.

Section 2.4.16

The billing factor of monthly billing should be "3", which is more fiscally responsible.

Section 2.4.17

Our recommendations for section 2.4.10 would have to be reflected in this section as well.

Section 2.4.20

An appropriate time to make security deposit payment arrangements should be two months not four as noted.

Section 2.4.21

Interest shall accrue monthly at the money market rate established by the distributor annually. We do not receive the Prime Business rate on our investments and should not be expected to pay this high rate to consumers on deposits that must remain in liquid form.

We believe six months is an appropriate time to bring the existing security deposit policies into compliance. Not only will we have to notify customers of the changes, we will require computer software changes, training of staff, review of current deposit and collection or refund of deposits, and amending our Conditions of Service to reflect these new changes.

If LDC's are mandated to review security deposits annually, this process will increase costs to consumers, as it will require additional resources and software changes.

The method for calculating a security deposit for non-residential customers is appropriate.

Thank you for the opportunity of commenting on these issues.

Yours truly,

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