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Paul B. Pudge
Board Secretary
Ontario Energy Board
P.O. Box 2319, 26th Floor
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Consumer Security Deposit Policies – RP-2002-0146

Dear Secretary

The Canadian Cable Television Association (CCTA) is pleased to provide its comments to the Ontario Energy Board (OEB) with respect to its proposed Consumer Security Deposit Policy paper RP-2002-0146.

The CCTA acts as the voice of 27 cable television distributors in the province of Ontario on a variety of regulatory, legal and business issues. Our members operate both small and large cable distribution systems, ranging in size from 200 cable customers to over 2,000,000 cable customers.

At the outset, the CCTA wishes to commend the OEB on its work on the security deposit policy. As a member of the OEB's working group the CCTA attended meetings with the local distribution companies (LDC) and other stakeholders and we found the discussions to be open, inclusive and thought provoking.

The policies are an excellent first step toward resolving some of the problems encountered by our members with respect to security deposits. We expect that these policies will address the concerns of the majority of the customers of the electricity distributors. However, we are also concerned that the policies do not address important issues that are specific to the cable industry. These concerns only came to our attention after our members reviewed the working group recommendations.

In addition to radio frequency (r/f) television signals, coaxial cable television networks carry an electrical current of either 60 or 90 volts. The electrical current is introduced onto the cable network through power supply units that are scattered throughout and connected to any given LDC network. The power supply units draw a consistent flat load 24 hours per day, 365 days per year and is used to operate r/f signal amplifiers.

Different LDCs treat these non-metered power supplies that are scattered across their grids in different ways. A few LDCs treat cable companies as a single customer with many points of connection to the grid. In this case, the cable company receives one monthly invoice for its power consumption.

However, most LDCs treat each individual power supply as a separate account and they issue one monthly invoice for each power supply, thereby requiring the cable company to process a number of power consumption invoices.

To compound the difficulties, some LDCs require payment within 15 days from the date of the invoice.

The following may provide an illustration of the difficulty to the cable industry that is caused by treating each power supply as a separate account. Rogers Cable Inc. provides cable services to municipalities in the greater Toronto area, southwestern Ontario and eastern Ontario. In one of its licensed areas, the Rogers cable network contains nearly 600 power supplies that are treated as individual accounts by the LDC. Each month, Rogers receives nearly 600 invoices that must be processed through Rogers' accounts payable system in order to have cheques prepared for payment.

It is extremely difficult for any company to process an invoice for payment in 15 days. By receiving nearly 600 such invoices per month, the task becomes significantly more difficult. As a result, Rogers periodically receives disconnection notices from the LDC that issues this particular set of invoices. If held to the letter of the proposed policy as noted in section 2.4.10, Rogers would never be able to demonstrate a good payment history with that particular LDC.

Recommendation

The CCTA recommends that **section 2.4.9** be amended to identify a fourth consumer category. That category should be defined as **"a non-residential, non-metered, scattered load consumer in a <50 kW demand rate class".**

Furthermore, the CCTA recommends that **section 2.4.10** be amended to state that **"a non-residential, non-metered, scattered load consumer in a <50 kW demand rate class is deemed to have a good payment history if the consumer has received no more than one disconnection notice from the distributor where the distributor treats the consumer as one account, or if the consumer has received disconnect notices totaling no more than an amount equal to 5% of the number of connections, where the distributor treats the consumer as multiple accounts".**

If adopted, the CCTA believes that these amendments will add clarity to treatment of non-metered scattered loads by Ontario's LDCs with respect to security deposits.

Furthermore, the CCTA proposes that a wider discussion be commenced with the OEB and the LDCs regarding issues affecting non-metered scattered loads in general. We propose to follow-up with you in the coming weeks to initiate such discussions.

Thank you for the opportunity to participate in and comment on this process. If you have any further questions, please do not hesitate to contact me.

Roy O'Brien,

Executive Director, Ontario Region
Canadian Cable Television Association