

July 10, 2003

BY COURIER

Mr. Paul B. Pudge
Board Secretary
Ontario Energy Board
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Mr. Pudge:

Re: Consumer Security Deposit Policies - RP-2002-0146

Union Energy Inc. is pleased to provide the following brief comments in the above-captioned proceeding.

Generally, Union Energy supports the Board's proposed amendments to the Distribution System Code and the Retail Settlement Code, and is particularly pleased with the stated intent to increase consistency amongst Ontario electricity LDCs in terms of their treatment of customers with respect to security deposit requirements.

We do note however, that the proposed changes address only consumer security deposits, and unfortunately, have not identified the need for LDCs to provide non-discriminatory treatment between retailers and end use customers with respect to security deposits.

In addition, during the earlier stages of the Working Group there was considerable discussion around the retailer payment default risk, but it does not appear to be addressed here in the Board's proposals. Union Energy is concerned this issue will re-appear through this submission process, and therefore desires to be on record as an interested party to this proceeding in order to be able to respond to these possible submissions.

Respectfully submitted,

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