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Mr. Paul Pudge, Assistant Board Secretary
Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Mr. Pudge:

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

Further to our submission of July 10, 2003 regarding the proposed changes to the Consumer Security Deposit Policies we would like to submit the following comments.

The majority of our large customers – under 5MW and over 50kW – are currently not receiving deposit refunds for the length of their service agreements with us. Refunding of security deposits for this group being the majority of our large users severely exposes *ENWIN* to financial risks. LDC's are now private organizations with the only means of security against non-payment risks being the deposits we hold. We are not considered a secured creditor in instances where a customer files for bankruptcy.

LDC's should not be mandated to return deposits when we are certain this will jeopardize the viability of our organization in continuing to operate in a commercial setting.

The definition of Good Payment History is also not within acceptable limits. It allows the refunding of deposits and in some cases the avoidance of a deposit to customers who have in the past 12 months been in arrears requiring action by the LDC's.

The administrative and systems changes required to meet the proposed changes is extensive and will require ongoing efforts to administer not to mention the associated costs in a time where LDC's are bound by a rate freeze. Following the lifting of the rate freeze the increased costs will certainly be passed on to the consumers in the form of higher rates.

In the event the proposed changes are adopted, consideration should be given to allow uncollected losses to be passed on to the IMO in the form of non payment of amounts not collected from our customers. This would keep in line with the OEB mandate that commodity charges remain a pass through for LDC's and that LDC's should not bear any significant financial risks.

We look forward to your consideration of the serious impacts these changes will have on the viability of LDC's in Ontario and thank you for the opportunity to provide these comments.

Sincerely,

ENWI Utilities Ltd.

Roy Fritz
President & CEO