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**Paul Pudge**  
**Ass't Board Secretary**  
**Ontario Energy Board**

**Nov 17, 2003**

**Customer Security Deposits, RP-2002-0146**

In reviewing the proposed amendments to the DSC and the various submissions, it occurred to me that one of the mechanisms for protecting LDCs from default in payment had been overlooked.

Electricity and gas are commodities paid for after they are used. Meter reading and billing cycles are sometimes as much as a year (e.g Hydro One's Seasonal Residential class) after the commodity is used.

The pain of customer security deposits for large users and residential tenants and the financial interests of the LDC could better be protected by shortening the time delay between use and payment.

That is, large use customers with questionable credit quality could be put on a weekly payment frequency. In that way the LDC is only exposed to default on one weeks' use.

Likewise, I'm sure low income tenants would be happier to pay more frequently than to come up with a 3 month security deposit.

Most competitively sold commodities are paid for before use. I can't see that those with questionable credit would object to being moved in that direction by monopoly utility suppliers such as hydro, gas, land line telecom, cable TV etc.

John McGee