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November 20, 2003

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

Dear Mr. Pudge:

Re: RP-2002-0146
Proposed Amendments to the Distribution System Code
and The Retail Settlement Code

Please find below our comments on the proposed amendments to the Distribution System Code and the Retail Settlement Code. These comments are submitted on behalf of the Canadian HTE User's Group (CHUG) and represents the following members: Guelph Hydro Electric Systems Inc, Barrie Hydro Distribution Inc, North Bay Hydro, Great Lakes Power, Halton Hills Hydro, Thunder Bay Hydro Electricity Distribution Inc. and Wellington Electric Distribution Company Inc.

Section 2.4.9

We would like to be able to retain a residential security deposit for two years. One year is not sufficient time to cover the credit risk of a mobile population.

We would like to see the large consumer category be reduced to 1MW from the proposed 5MW. This would ensure that deposits for these larger customers are retained for seven years. The 1MW-5MW range of customers is more similar in risk potential to the over 5MW category than to the smaller commercial account. This comment applies throughout the document where the 5MW applies.

Section 2.4.10

The good credit criterion proposed does not currently consider late payment history. Once an account has reached the stage where a disconnection notice is issued, the customer has already received a reminder notice of late payment and a significant amount of time has elapsed from the date the bill was issued. A late payment history is indicative of a poor credit risk. We suggest allowing a maximum of one late payment per year to be considered for good payment history. If a disconnection notice is the only criterion for good payment history, the onus would be on LDC's to issue disconnect notices at an earlier stage in the collection process and potentially incur additional expense as a result.

Section 2.4.12

For consistency of application, we would like to see the customer's highest actual load, as in section 2.4.17, used for the deposit calculation for all customers, not just those with a history of disconnection notices.

Section 2.4.13

A process to reassess this credit rating on a regular basis with the potential to increase a security deposit, if required, should be incorporated into the code. The current wording only allows for a decrease in security deposit for these customers.

Section 2.4.16

For bimonthly and quarterly billing, the opportunity to collect from a customer is reduced by the lower frequency of billing and the balance owing by the customer at time of billing is substantially greater than with monthly billing. We would suggest increasing the billing factor to 2 for bimonthly accounts and 1.75 for quarterly accounts.

Section 2.4.21

Clarification is sought regarding how frequently the interest rate must be updated within a LDC's CIS system. We would suggest quarterly as reasonable.

Section 2.4.26

Due to the delay of 10 business days in receiving market pricing after the actual meter reading occurs, refunding the deposit within one month of the date of account closure may be difficult to meet. If this were extended to 6 weeks, it would allow sufficient time to receive market pricing, bill the account for all final charges and issue a cheque for any remaining deposit amounts.

Thank you for the opportunity to comment on these proposed changes.

Yours sincerely,

GUELPH HYDRO
ELECTRIC SYSTEMS INC.

Jennifer Gordon
President, Canadian HTE User's Group