



NSci Technologies Inc.
48 East Champagne Drive
Sault Ste. Marie, Ontario P6A 6S8

Telephone: 705-941-1199
Facsimile: 705-253-4350

November 24, 2003

Ontario Energy Board
Attn.: Mr. Paul B. Pudge, Assistant Secretary
PO Box 2319, 2300 Yonge Street
Toronto, Ontario M4P 1E4

By Fax: (416) 481-1967 and E-mail: paul.pudge@oeb.gov.on.ca

Re: Ontario Energy Board ("OEB") Consumer Security Deposit Policies Proceeding, Board File RP-2002-0146

Dear Mr. Pudge:

We are advising Boniferro Mill Works Inc. ("BMWI") and Searchmont Resort ("SMR") with respect to the above-captioned matter. BMWI is a hardwood sawmill located in Sault Ste. Marie, Ontario. SMR is a multi-season resort located in Searchmont, Ontario approximately 25 miles northeast of Sault Ste. Marie.

Both facilities are currently supplied by Great Lakes Power Limited Distribution Division (GLPD) and have average electrical demand that puts them in the category of greater than 50 kW but less than 5,000 kW. Neither of these clients was involved in this proceeding to date.

The following comments are provided in response to the Board's letter dated November 10, 2003 soliciting input into proposed changes to the Distribution System Code and the Retail Settlement Code.

- Specifically, with respect to the need for separate customer classes > 50 kW, we do not see a need to separate business customers along those lines. The amount of electrical consumption can be misleading in determining the size, health or scope of an ongoing business. However, if the same policies and principles apply to both categories and it is easier administratively for LDCs to pursue this option, we see no reason to object.
- The ability of a customer whose demand is greater than 50 kW but less than 5,000 kW to supply a credit rating in order to reduce the amount of, or even eliminate the need for, a security deposit should be allowed by the Board. Given that the purpose of the deposit is to reduce the LDC's non-payment risk, a credit rating from a reputable firm, will provide a comparable level of security.
- If a deposit is required, the ability of the customer to receive a reduction after a GPH is established should be afforded equally to either class of non-residential customer > 50kW. In order to find a middle-ground answer to this issue, perhaps a phased-in return of the deposit after a GPH has been established could be provided. For example, 50% after 7 years, the next 25% after 8 years, the final 25% after 9 years. Should the GPH of a customer deteriorate, retaining a portion of the deposit is a reasonable hedge for the LDC but a customer with an outstanding GPH is not penalized.
- The concept of using the credit rating, among other methods, immediately after the implementation transition period ends, to reduce the need for a deposit is an excellent recommendation. Having any funds tied up unnecessarily impacts negatively on the competitiveness of a business.
- One related matter that is referenced throughout the proposed changes to the Codes is the need for a Condition of Service manual to outline the policies of the associated LDC. In the absence of a

Conditions of Service manual, how is a customer to determine which policies are reasonable or accurate? If the lack of a Conditions of Service manual is prevalent with LDCs, then the wording should be modified to address that situation. It is currently unclear whether a customer must follow a policy that is not contained in a Conditions of Service manual.

- Finally, the ability of an LDC to be flexible in its implementation of the policy should be encouraged by the Board. For example, a customer who wishes to increase their payment frequency to decrease their deposit requirements should be encouraged by the LDC to pursue this individual and voluntary risk management approach. It is clear that this type of approach would decrease the LDC non-payment risk and reduces the overhead on the business customer thereby increasing the business' likelihood of success.

We jointly request that copies of any future correspondence pertaining to this proceeding be served to the following:

Mr. Robert W. Reid, President
N-Sci Technologies Inc.
48 East Champagne Drive, Sault Ste. Marie, Ontario P6A 6S8
Telephone: (705) 941-1199 Fax: (705) 253-4350
E-mail: robwreid@shaw.ca

and to:

Mr. Jim Boniferro, President & CEO
Boniferro Mill Works Inc.
45 Third Line West, Sault Ste. Marie, Ontario P6C 3B5
Telephone: (705) 942-4269 x.222 Fax: (705) 942-8750
E-mail: jim.boniferro@bmwssm.com

and to:

Mr. Wayne Wilcox, Vice President & General Manager
Searchmont Resort
PO Box 146, Searchmont, Ontario P0S 1J0
Telephone: (705) 781-2340 x.2333 Fax: (705) 781-2843
E-mail: wayne@searchmont.com

We trust that this submission will be satisfactory to the Board. Should you have any questions, or require further information with respect to this submission, please do not hesitate to contact me.

Respectfully Submitted,

Robert W. Reid, P.Eng. MBA
President

CC: Mr. J. Boniferro, Mr. W. Wilcox

This document was created with Win2PDF available at <http://www.daneprairie.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.