



November 24, 2003

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street 26th Floor
Toronto, Ontario
M4P 1E4

Attention: Mr. Paul Pudge, Assistant Secretary

Dear Sir:

RE: RP 2002-0146 Customer Security Deposit Policies

In response to your request to comments concerning security deposits, Newmarket Hydro wishes to raise the following points for your consideration.

Definition of Good Payment History

Residential Customers

When considering a personal credit history, it may be several years of perfect payment history for a person with a minimal bad credit history to get it back to an R1 (credit bureau highest rating) or excellent status. Therefore the definition of a good payment history for residential customers should not be based upon one year of excellent payments but three years of excellent payments that would include *no late charges, no NSF amounts or disconnection visits*.

Non-Residential Customers

Although a commercial customer may have had an excellent payment history for the past five to seven years, there is still a significant concern that would dictate the holding of a deposit after this period.

No one would have ever expected Enron, World Com, Tyco, Air Canada or Laidlaw to have financial difficulty but they did. In each case, the onset of insolvency legislation was impossible to predict, and has been the sole determinant of the financial outcome for their suppliers. The non-payment risk associated with Canadian insolvency legislation for all non-residential class

customers should be considered, and is independent of electric consumption. We have asked for an expert opinion of the risks due to insolvency legislation. We expect to have it in the next day or so, and will forward it under separate cover. It is our hope that the Board will give it due consideration although it will be past the date given for these submissions.

Yours truly,

A handwritten signature in black ink, appearing to read "Iain Clinton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Iain Clinton, CA
CFO
Newmarket Hydro Ltd.