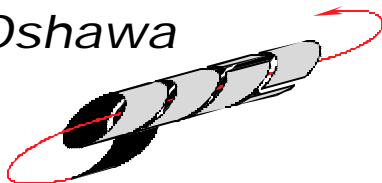


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

November 24, 2003

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

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

Dear Paul:

Thank you for the opportunity to reply to the Board's letter dated November 10, 2003.

Oshawa PUC Networks Inc. appreciates the input that the working group has done with this issue, and it also appreciates the Board's efforts in trying to listen to all stakeholders in this regard.

The change that the OEB is proposing for the large user either under or over 5 MW still leaves the LDC at risk for exposure to company failure. We have seen over the years, that even a company that has Good Payment History (GPH) for seven years, can experience difficult times and have difficulty paying their power bill. Therefore we would suggest that a refund of their deposit not be given to this customer class.

The proposed changes will also require significant administrative work. The amendments identify that a credit rating must be done by a recognized credit agency, and the OPUCNI supports this. The covering letter does not clearly identify this. We would not support the class of under 5MW and over 50kW be given this approach. In order for this to work effectively credit checks would need to be done on an ongoing basis and this customer base is too large for such an approach.

Section 2.4.20 allowing for the deposit to be paid in four (4) equal amounts is again administratively difficult.

Our Customer Information System will need to be upgraded to incorporate the review process of deposits. We appreciate that the timeline for the implementation of this is January 2005, as it will take time to program the required changes.

We have also noted that the OEB is going to give further guidance on the issue of "Prudence". We support this process by the OEB, and hope that the guidelines that are set will be helpful to LDC in its practice of prudence.

OPUCNI can appreciate that some LDCs wish to have a "prescriptive" guideline for prudence but we feel that the guideline needs to appreciate our business and the difficulty that each LDC may have in exercising its prudence. There may be shareholder, political and economic constraints that don't fit into a fixed guideline. If a LDC suffered a loss from a consumer and did not have a security deposit, and the LDC can document its process of trying to work with the customer as per 2.4.6.2 and 2.4.15, then we hope that the OEB will provide assurance to the LDC that they would be able to recover this loss.

Again, we appreciate this opportunity to support and to extend our concerns over the changes to the Distribution System Code and to the Retail Settlement Code.

Yours truly,

A handwritten signature in black ink, appearing to read "Luc Perron", is written over a vertical line that extends from the signature down to the typed name below.

Luc Perron, CA
Vice President, Finance

LP/cd