



**RP-2004-0166**

## **NOTICE OF REVISED PROPOSAL TO AMEND THE DISTRIBUTION SYSTEM CODE**

To: All Interested Persons

On June 2, 2004 The Ontario Energy Board (the "Board") issued a Notice of Proposal to Amend the Distribution System Code (the "Code") under section 70.2 of the *Ontario Energy Board Act, 1998*. The purpose of the proposed amendments was to provide greater clarity as to electricity distributors' rights and obligations with respect to customers owing money for unpaid electricity charges or for a security deposit.

In response to the Notice, the Board received 17 written submissions. On August 24, 2004, the Board provided parties the opportunity to make oral presentations to the Board to allow them to clarify and elaborate on their written submissions. The Board has considered the submissions and presentations and has prepared a Summary Report, dated December 16, 2004, which is attached to this Notice.

### **Proposed Changes**

The Board is proposing revisions to the originally proposed amendments. The Board's revised proposed amendments to the Code are attached to this Notice. In particular:

- With regard to reconnection, the Board proposes to revise sub-section 4.2.5.3 to clarify that it is the person requesting the reconnection who is obligated to pay any Board approved reconnection charges.
- With regard to security deposits, the Board proposes to add a new section 2.4.28 to the Code to require that security deposits, when refunded, be returned to the party that provided the security deposit, even where it is not the contracting customer.

The revised proposal also includes non-material changes to the originally proposed amendments.

### **Impact of Revised Proposal**

The purpose of the proposed amendments to the Code remains the same; i.e., to clarify the conditions under which a distributor may refuse to connect, or continue to connect, if the person requesting connection owes the distributor money for distribution services or for a security deposit.

The Code reflects the Board's recently standardized, more prescriptive policies for security deposits as the appropriate risk management tool. The Board is not proposing to revise the proposed amendments that would:

- remove the provision that allows a distributor to use any risk mitigation options available under law to manage customer non-payment risk;
- add a provision to allow a distributor to refuse to connect or continue to connect, for non-payment of a security deposit; and
- provide guidance to the distributor regarding the recovery of reasonable costs associated with disconnection, reconnection, and charges for energy use.

The Board does not expect that the proposed revisions to the originally proposed amendments will affect the Board's view of the anticipated costs and benefits of the amendments to the Code.

Thus, the Board continues to anticipate that electricity distributors and ratepayers will benefit from the proposed amendments, as revised, as they clarify electricity distributors' rights and obligations regarding unpaid electricity charges and security deposits, and damage to distribution assets.

The Board also continues to anticipate that electricity distributors may lose some revenue as the revised proposed amendments prohibit distributors from reassigning unpaid charges.

The Board will not be granting cost awards in this matter.

### **Invitation to Comment**

The Board asks that any person wishing to provide written submissions on the revised proposal **confine their comments to sections 2.4.28 and 4.2.5.3.**

Any person who wishes to make a written submission with respect to the revised proposal **must** file nine (9) paper copies of their submission, and, if possible, electronic copies in Adobe Acrobat (PDF) and WordPerfect or Word with the Board Secretary by **4:30 pm on January 10, 2005.** Submissions should be addressed to:

John Zych  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
26<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca)

Your comments **must** quote file number **RP-2004-0166** and include your name, address, e-mail address and fax number.

All materials associated with this code amendment process and the written submissions and oral presentations received by the Board are available for public inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

If you have any questions regarding this file, please contact Alison Cazalet at 416 440-7684, or [alison.cazalet@oeb.gov.on.ca](mailto:alison.cazalet@oeb.gov.on.ca), or toll free at 1-888-632-6273.

Dated at Toronto, December 21, 2004

John Zych  
Board Secretary

Attachments:  
December 21, 2004 Summary Report  
Revised Proposed Amendments