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BY E-MAIL AND WEB POSTING

March 10, 2009

**To: All Licensed Electricity Distributors
All Natural Gas Distributors
All Participants in Consultation Processes EB-2007-0722, EB-2007-0635
and EB-2008-0150
All Other Interested Parties**

**Re: Consultation on Energy Issues Relating to Low-income Consumers
Report of the Board: Low-income Energy Assistance Program
Board File No.: EB-2008-0150**

**Electricity Distributors: Customer Service, Rate Classification and Non-payment Risk
Notice of Proposal to Amend Codes
Board File No.: EB-2007-0722**

The Board currently has under way two consultation processes, one with respect to energy issues relating to low-income energy consumers and the other with respect to issues relating to the provision of service by electricity distributors. This letter is to advise interested parties of steps that the Board has taken in furtherance of each of these initiatives.

1. Energy Issues Relating to Low-income Consumers: Report of the Board

The Board is releasing today a "Report of the Board: Low-income Energy Assistance Program" (the "Report"). The Report describes policies and measures that the Board expects electricity and natural gas distributors to put into place in order to address the particular needs of low-income energy consumers in relation to their use of natural gas and electricity. The Report is available on the Board's website at www.oeb.gov.on.ca.

The Report contemplates the implementation of a "Low-Income Energy Assistance Program" or "LEAP" comprised of three elements: (i) temporary financial assistance for energy bill payment; (ii) tailored customer service measures; and (iii) targeted conservation and demand management programs. The program relies heavily on the

anticipated cooperation between distribution utilities and local social service agencies, which the Board expects will enhance LEAP's effectiveness, timely implementation and efficient on-going administration. The Board anticipates that LEAP can be in place and available to eligible consumers throughout the Province by November 2009.

Implementation of the proposed customer service elements of LEAP in the context of the electricity sector requires amendments to a number of the Board's codes. This element of LEAP complements earlier work of the Board in relation to the provision of service by electricity distributors. The Board therefore considers it expedient to integrate this proposed element of the LEAP policy into the consultation on the provision of service for the purposes of moving forward with proposed code amendments.

2. Provision of Service: Proposal to Amend Codes

The Board is releasing today a "Notice of Proposal to Amend Codes" (the "Notice") inviting comment on a number of proposed amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Service Code. The Notice is available on the Board's website at www.oeb.gov.on.ca.

The proposed amendments would codify rules relating to a number of matters associated with service provided by electricity distributors to all customers, including: bill payment; the correction of billing errors; equal billing; security deposits; disconnection for non-payment; and the opening and closing of accounts. The proposed amendments also include measures that are more specifically tailored to the needs of low-income electricity consumers, including arrears management.

In addition, the proposed amendments include provisions relating to the process for and frequency of rate reclassification, and to the management of commodity non-payment risk.

The proposed amendments are intended to establish a standard level of service throughout the Province in relation to distributor policies that can have a significant impact on customers, and are expected to provide greater protection and certainty for customers while allowing distributors an appropriate measure of flexibility to allow them to account for local operational considerations.

3. Invitation to Comment and Cost Awards

a. Report

The Board believes that the financial assistance and conservation and demand management policies identified in the Report are directionally sound. However, the Board recognizes that a number of implementation issues remain to be addressed, and that the policies may need to evolve in response to those issues. The Board invites written comments on the Report from interested parties, and more specifically on

anticipated implementation issues and proposed solutions. Comments on the Report are due by **April 17, 2009**.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2008-0150** and include your name, address, telephone number and, where available, your e-mail address and fax number.

Interested parties should ensure that comments on the customer service elements of LEAP are provided by way of response to the Notice (see below) separate from any comments they may wish to make with respect to remainder of the Report.

The Board will, over the coming months, work towards the implementation of LEAP. As indicated in the Report, the Board will establish a LEAP Implementation Working Group to be chaired by Board staff and comprised of representatives of distributors, consumer groups and social service agencies. Further detail regarding the Working Group will be available in the near future.

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons in relation to the provision of comments on the Report. Costs awarded

will be recovered from all licensed electricity distributors and all rate-regulated natural gas distributors based on their respective distribution revenues.

The participants that were granted eligibility for cost awards in the Board's August 15, 2008 Decision on Cost Eligibility (in consultation process EB-20008-0150) will be considered eligible for costs in relation to the provision of comments on the Report, and need not submit a further request for cost eligibility.

Any other interested party that wishes to request eligibility for an award of costs in relation to this notice and comment process must submit that request in accordance with the instructions set out in Attachment A.

b. Proposed Amendments

Details on how to provide written comments on the proposed amendments to the Board's codes are set out in the Notice. As indicated in the Notice, comments in relation to the proposed amendments are due on **April 17, 2009**. Details regarding cost awards in relation to the provision of written comments on the proposed amendments are also set out in the Notice.

The Board takes this opportunity to thank all of the participants in both consultations for their thoughtful contributions to date.

If you have any questions regarding the implementation of LEAP, please contact Alison Cazalet at 416-440-7684, or by e-mail at alison.cazalet@oeb.gov.on.ca. Questions regarding the proposed amendments to codes set out in the Notice should be directed to the appropriate person identified in the Notice for that purpose.

The Board's toll-free number is 1-888-632-6273, and the Market Operations Hotline is 416-440-7604.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Attachment A

Cost Awards for Providing Written Comments on the Report

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect by **March 20, 2009**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

Licensed electricity distributors and rate-regulated gas distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity distributor or gas distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **March 27, 2009**. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

Cost awards will be available in relation to the provision of comments on the Report, **to a maximum of 15 hours**.

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this consultation process.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's website at www.oeb.gov.on.ca on the "Rules, Guidelines and Forms" webpage.