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BY EMAIL AND WEB POSTING

August 11, 2008

To: All Participants in Consultation Process EB-2008-0150

**Re: Consultation on Issues Relating to Low Income Consumers
Further Details Regarding Stakeholder Conference
Board File No.: EB-2008-0150**

On July 2, 2008, the Board announced that it was initiating a consultation process to examine issues associated with low income energy consumers in relation to their use of natural gas and electricity. The Board indicated that the consultation process had been commenced in part due to the May 16 2008 decision of the Divisional Court, which indicated that the Board does have jurisdiction to consider the ability to pay when setting utility rates, should the Board consider this to be appropriate. In response to the Board's July 2, 2008 letter, 51 interested parties have registered to participate in this consultation.

Stakeholder Conference

As indicated in the Board's July 2, 2008 letter, the first step in the consultation process will be a stakeholder conference commencing on **September 22, 2008** at the offices of the Board. The stakeholder conference is intended to provide participants with the opportunity to present information which will assist the Board to gain a better understanding of the issues associated with low income consumers, and to also assist the Board in its consideration of the need for and nature of policies or measures to address those issues.

After considering the information provided at the stakeholder session, should the Board determine that regulatory changes are required, the methodology and issues associated with implementing these changes would be the subject of a subsequent stakeholder consultation.

To assist participants in preparing for the stakeholder conference, Board staff has prepared a list of issues and questions for discussion, and that list is attached as Appendix A to this letter. The list is intended as a guide only, and participants should feel free to raise additional issues or questions as they consider appropriate.

Participants that wish to do so will be provided with an opportunity to make a presentation during the stakeholder conference. A participant that intends to make a presentation should file with the Board a letter to that effect identifying the subject(s) to be addressed in the presentation. The letter should be sent by e-mail to **EB-2008-0150LowIncomeEnergy@oeb.gov.on.ca** by **August 26, 2008**.

Copies of the presentation should be filed with the Board at BoardSec@oeb.gov.on.ca by September 17 and in accordance with the filing instructions set out in the Board's July 2, 2008 letter.

An agenda for the stakeholder conference will be issued at the beginning of September.

Consultant's Report

Board staff has engaged Concentric Energy Advisors to produce a report summarizing the types of policies, programs or other measures that have been implemented by regulators in other jurisdictions (including Canada, US, Europe and Australia) in addressing issues of concern to low income energy consumers.

The report will be posted on the Board's website by the first week of September.

Questions relating to this consultation can be directed to:

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or

Marika Hare

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For further inquiries the Board's toll-free number is 1-888-632-6273

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Appendix A To letter dated August 8, 2008

List of Issues and Questions for Discussion at Stakeholder Conference

- 1) What should be the objectives of policies, programs or other measures designed to assist low income energy consumers?**
- 2) What programs or measures currently exist to address the needs of low income energy consumers in Ontario in relation to their consumption of electricity or natural gas?**
- 3) Are there agencies or organizations that utilities could work with in coordinating or administering programs or other measures which would assist low income consumers?**
- 4) What is the experience with low income energy assistance programs in other jurisdictions?**

The report to be produced by Board staff's consultant, Concentric Energy Advisors, will address this issue. However, interested parties may provide their own insights or their comments on the consultant's report.

5) Criteria for Defining "Low Income Energy Consumers"

What criteria should be used to define a "low income energy consumer" for purposes of this consultation and of the application of any policies or measures that might be implemented by the Board? Options could include (i) income; (ii) percentage of annual income spent on energy costs; and (iii) registration with a social assistance agency. There may be others.

6) Rate-related Measures

- a. What are the issues associated with implementation of a special distribution and/or commodity rate for low income energy consumers? Is implementation of such a rate compatible with generally-accepted rate-making principles such as cost causality?
- b. What is the impact of an inverted rate structure (i.e., lower for the first block) on low income energy consumers? On other consumers?
- c. Are there data available to show whether low volume for natural gas and electricity consumption is correlated to low income customers?

- d. Is a low-income energy assistance program compatible with public utility pricing principles of cost-based, non-discriminatory rates?

7) Customer Service Issues

- a. Payment Period: Should distributors be required to offer an extended payment period to low income energy consumers or offer customers a choice of several potential payment dates within the month (e.g., choice of the 1st or 15th as the due date each month)?
- b. Disconnection Rules: Should there be special relief from disconnection provisions for low income customers in special situations, such as where a distributor receives a pledge, letter of intent or other notification that a third party is forwarding payment; or where the customer makes a minimum payment? Should load limiters be encouraged in lieu of disconnection?
- c. Security Deposits: Should separate security deposit rules be adopted for low income energy consumers?
- d. Specific service charges: Should selective specific service charges such as reconnection charges, late payment charges, NSF charges etc. be waived or reduced for low income consumers?
- e. Should gas distributors adopt similar customer service and specific service charges for low income consumers?

8) Special Arrears Management Programs

Should electricity and gas distributors be required to have separate arrears management programs for low income consumers? i.e. provide deferred payment plans that schedule full re-payment over a period of time, take into account customer ability to pay when setting repayment terms or provide partial write offs to encourage payment of remaining arrears and service charges, etc.?

9) Low Income Conservation and Demand Management Programs

- a. Are the dedicated low income customer conservation programs offered by Ontario gas distributors and OPA adequate and effective in addressing the needs of low income energy consumers in Ontario?
- b. How are the Ontario conservation programs for low income energy consumers compared to similar programs in other jurisdictions?
- c. Are there sufficient conservation educational programs available for low income energy consumers?

10) Emergency Assistance Programs

- a. Should distributors be required to facilitate the collection of customer donations to emergency fuel charities?

- b. Should the cost of distributors' donations to Ontario fuel charities be recoverable in the approved distribution revenue requirement?
- c. Should Ontario distributors be required to make referrals to assistance services provided by local charities, local governments and the province (e.g. the provincial emergency energy assistance fund)?

11) Program Funding Mechanisms

- a. Should the cost of low income energy assistance program funding be recovered through distributors' electricity and gas rates? If not, how should the program be funded?
- b. Should a low income energy assistance program be implemented, would the electric or gas distributors realize any cost savings through lower customer care costs such as lower customer call volume, fewer billing and collection activities, and fewer disconnections and reconnections?
- c. What issues could arise if the costs associated with the implementation of a low income energy assistance program are shifted to other classes of rate payers?