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BY E-MAIL AND WEB POSTING

July 22, 2010

**To: All Licensed Electricity Distributors
All Natural Gas Distributors
All Licensed Smart Sub-Metering Providers
All Participants in Consultation Processes EB-2007-0722, EB-2008-0150 and
EB-2008-0346**

Re: Initiatives Relating to Low-Income Energy Customers

On July 5, 2010 the Ontario Energy Board received a letter from the Minister of Energy and Infrastructure regarding the Board's work in relation to low-income energy customers. A copy of the Minister's letter is posted on the Board's website.

The purpose of this letter is to inform stakeholders about the initiatives that the Board will undertake in the coming weeks and months to consider policies in the areas of: (1) emergency financial assistance, (2) customer service rules, and (3) targeted conservation and demand side management programs to low-income customers of electricity and natural gas distributors. The Board originally identified these aspects of a low-income energy strategy in its "Report of the Board: Low-income Energy Assistance Program" that was issued March 10, 2009 (EB-2008-0150).

Emergency Financial Assistance

Throughout July – September 2009 the members of the Board's Financial Assistance Working Group developed recommendations for the implementation of an emergency financial assistance program for electricity and natural gas distributors. The Board intends to initiate further consultations with this group of stakeholders, beginning in August 2010, with the aim of having an emergency financial assistance program in place for the 2010-2011 heating season.

The Board will also consider extending the emergency financial assistance program to customers of unit sub-meter providers.

Customer Service Rules for Customers of Electricity Distributors

On July 2, 2010 the Board issued a “Notice of Amendment to Codes” setting out final customer service rules that are intended to assist all electricity customers, as part of its consultation on “Electricity Distributors: Customer Service, Rate Classification and Non-Payment Risk” (EB-2007-0722).

As part of the original package of customer service rules issued for comment on March 10, 2009, the Board had proposed certain rules specifically tailored to low-income electricity customers. As a result of the Minister’s direction in September 2009, the Board subsequently revised the proposed rules, and did so in a manner that extended to all residential customers a number of the rules that had originally been applicable solely to low-income electricity customers.

The Board will resume consultations on the development of customer service rules tailored to low-income electricity customers. The customer service rules adopted on July 2, 2010 will serve as the baseline to assess the need for, and merits of, additional rules applicable specifically to low-income electricity customers.

It is anticipated that any proposed rules for this consultation will be issued for stakeholder comment in September 2010.

Customer Service Rules for Customers of Natural Gas Distributors

The Board will initiate a consultation process, and where appropriate, develop rules for natural gas distributors similar to those developed for electricity distributors as part of EB-2007-0722, including customer service rules tailored to low-income customers.

It is anticipated that any proposed rules for this consultation will be issued for stakeholder comment in late September 2010.

Customer Service Rules for Customers of Unit Sub-Meter Providers

Customer service rules applicable to the smart metering activities of licensed electricity distributors are found in the Distribution System Code. These were revised in the context of consultation process EB-2007-0722 referred to above, and may be further revised to address low income customers, as discussed in an earlier section of this letter. The Board will initiate a separate consultation process to develop rules for unit sub-meter providers, similar to those established for electricity distributors, if and where appropriate.

The *Energy Consumer Protection Act, 2010* (“ECPA”), which has been enacted but not yet proclaimed into force, establishes a new framework for the regulation of unit sub-meter providers. On July 2, 2010, the Government posted for comment a “Description of Proposed Suite Metering Regulations under the *Energy Consumer Protection Act, 2010* and the *Ontario Energy Board Act, 1998*”. The Board’s anticipated commencement date for this consultation (September 2010) may be affected by legislative developments that may occur under the ECPA in relation to the activities of unit sub-meter providers.

Natural Gas Demand Side Management (“DSM”)

The Board’s ongoing consultation on “Demand Side Management (DSM) Guidelines for Natural Gas Distributors” (EB-2008-0346) for 2012 and beyond is intended to review the existing DSM framework for natural gas distributors. The scale of DSM investments, and any associated policy objectives, including in relation to programs targeted to low-income customers, will be considered as part of that consultation. It is anticipated that draft DSM Guidelines will be issued for stakeholder comment in September.

With respect to DSM programs for 2011, Enbridge Gas Distribution and Union Gas have filed one-year DSM plans with the Board which are currently under review. Any implications of the Minister’s letter will be considered through the hearing process on those plans.

Electricity Conservation and Demand Management (“CDM”)

On July 5, 2010 the Minister issued a direction requesting that the Ontario Power Authority (“OPA”) design, implement and fund an electricity CDM program for low-income residential consumers as part of the suite of OPA-Contracted Province-Wide programs for the 2011 to 2014 period.

The Board will coordinate with the OPA as it moves forward with the development of its electricity CDM program for low-income residential consumers to facilitate a coordinated approach to the delivery of CDM and DSM programs by electricity and natural gas distributors, respectively.

On June 22, 2010 the Board issued for stakeholder comment a draft Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). As noted in the Notice of Proposal to Issue a Code that accompanied the draft CDM Code, the Board may consider the need to amend the CDM Code in the future to address any further developments regarding low-income electricity customers.

The Board looks forward to stakeholders’ participation in the initiatives identified in this letter. Materials on each of these initiatives will be issued in the coming weeks and months.

If you have any questions regarding the initiatives identified in this letter, please contact Takis Plagiannakos, Manager of Rates, Conservation and Policy Evaluation, at 416-440-7680. The Board’s toll free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary