

VIA E-MAIL, COURIER TO THE BOARD & RESS

March 17, 2011

Ontario Energy Board
P.O. Box 2319
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2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

RE: EB-2010-0280 Customer Service Standards for Natural Gas Distributors

On January 21, 2011, the Ontario Energy issued a letter to inform the natural gas distributors and stakeholders of their intent to conduct a consultation process prior to the amendment of the Gas Distribution Access Rule (GDAR). The following are the comments of the Federation of Rental-housing Providers of Ontario (FRPO) in response to the questions posed by the Board upon review of the submissions of the natural gas utilities.

Responses to Questions Posed by the Board

1. Should the Board develop rules which prescribe specific customer service standards to be applied to all rate-regulated gas distributors? If so, should these standards be analogous to the electricity code provisions for customer service standards? What are the potential advantages and disadvantages of this prescriptive approach?

In our respectful submission, FRPO believes that specific customer service standards are not necessary for all gas distributors. In reviewing the respective submissions of the utilities, it is clear that while the intent of their policy seems aligned with those of the electricity distributors, there is some measure of variability in policy and practice. This variation is likely a result of evolution of policy and practice and the development of systems. From the information provided by the utilities, it would appear that these policies and practices have been informed by customer feedback and are working to meet customer expectations. In our view, changing these policies and the associated systems, at ratepayer cost, is not warranted especially when the result may not be improved customer service.

Enbridge Gas Distribution (EGD) has estimated millions of dollars to evolve its policies and systems and we would agree with EGD that there may be diminishing returns from those investments. In the specific case of providing the opportunity for all customers to be able to pay with credit cards, ratepayers may be required to absorb millions of dollars of unnecessary rate impact while some customers will use the system to collect loyalty rewards. We do not believe this is in the public interest. Also, if prescribed standards were used, there is a potential disadvantage in losing some flexibility that the utilities have enjoyed to implement more tailored solutions that have been developed to meet customer need. Therefore, we do not support the development of specific customer service standards for the natural gas distributors but we believe the Board has role in meeting its objectives under the Act as outlined in our response to the second question.

2. Should the Board develop rules which require each rate regulated gas distributor to develop, publish, and adhere to customer service standards for certain prescribed areas of customer service? If so, should the rules include the requirement that gas distributors develop complaint processes which include recourse to the Board in the event disputes are not resolved to the satisfaction of the parties? What are the potential advantages and disadvantages of this less prescriptive approach?

The impetus to GDAR was founded in the Board's guiding objectives under the section 2 of the Ontario Energy Board Act (Act). Two of those objectives in section 2 are:

To protect the interests of consumers with respect to prices and the reliability and quality of gas service.

To promote communication within the gas industry and the education of consumers.

In our view, the development of rules which require the gas distributor to develop, publish and adhere to customer service standards is a positive step in meeting those objectives. From the information provided by the utilities, we believe that the utilities policies and practices are effective for customers and the utilities. However, it is also clear from the **Proposed modified policies and practices** section of the surveys, even the utilities have offered that there is room for improvement. That recognition of the opportunity for improvement could not have come without a recording of the current policies and practice and an intentional assessment of what other distributors do for the purpose of refinement.

The Board and its stakeholders have this information now as a result of this process. However, the average customer's ability to access this information to know their rights and responsibilities is difficult. While Union Gas (Union) has indicated that it has published its Gas Service Guidelines, a review of those guidelines provided significantly less information than their response to the Board's survey. In our submission, requiring the utilities to lay out their customer service standards in language its customers can understand would help customers know their rights and responsibilities, reducing customer dissatisfaction and potentially an escalation of a complaint to the Board.¹ FRPO does believe that having recourse to the Board is instrumental in fulfilling its guiding objectives. Further, we believe clarity in the communication of standards will enhance customer service without creating the need for additional Board resources to manage customer complaints.

Finally, in its letter to the natural gas distributors and stakeholders, the Board stated its objectives included fairness, transparency and greater protection and certainty for customers. We would submit that the achievement these objectives would not be possible without requiring the utilities to publish and adhere to these standards while providing a complaint system that offers recourse to an independent third party, in this case, the Board.

Generic Issue

As outlined above, FRPO is supportive of the Board's initiative to amend GDAR to require the publishing of and adherence to customer service standards by the utilities. Further, from the benefit of this intentional review, each utility has offered proposed modified policies which may improve their respective service. An example would be EGD's commitment to apply the security deposit to the arrears prior to initiating disconnection activities. This type of improvement should be able to be done with minimal cost. However, FRPO would strongly encourage the Board to require the distributors to provide an itemized list of proposed improvements along with an estimate of the initial and ongoing costs of the improvements. In this way, the investments in

¹ FRPO would submit that if customers understood that the gas distributors had developed and published these policies in a Board-initiated public process, more would be reluctant to challenge the distributor at the Board regarding the fairness of their policies.

improvements could be understood and the Board and stakeholders can ensure that the investments, which likely will impact rates, are understood and are focused on the Board's objectives in this initiative.

Specific Issue

In reviewing the submissions of EGD, FRPO was very concerned about the proposed modification under the Management of Customer Accounts. The sub-heading speaks to the intent of this section to "*Support constructive third party involvement and protects customers and distributors from fraud and misunderstandings*". This intent was clarified to include landlords in the application to a tenant arrears situation in the Customer Service Rules for Electricity Distributors stating:

When a tenant customer moves out of a rental unit, distributors cannot seek to recover future charges from any other person, including the landlord, unless that person has agreed in writing to assume responsibility for the account. A distributor and a landlord may enter into an agreement where the landlord agrees to automatically assume responsibility for paying for continued service after the closure of a tenants account.

In providing its description of Existing policies and practices and Proposed modified policies and practices, EGD stated:

Enbridge's current policies and practices largely meet the intent of this rule. When a tenant moves out of a rental unit, the Company attempts to recover those charges from that customer, not any subsequent customer. If there is no move-in party, then Enbridge will attempt to recover future charges at the property from the landlord to avoid disconnection of the property. Arrangements are in place with some landlords where the account will go in the name of the landlord and charges billed to the landlord if there is not tenant to avoid disconnection.

Enbridge is proposing to maintain its current policies and practices but would consider a potential change to the handling of landlord properties. The Company is proposing to enter into landlord agreements to have the landlord assume responsibility for the charges at their property after a tenant has moved out or in the event that a new tenant has not contacted the Company with their personal information. Clear accountability will reduce complaints over the responsibility for the account. Such changes will require updates to the system and updates to training and process documentation.

FRPO is supportive of a practice to minimize the cost and inconvenience associated with move in and move out of tenants. However, we must emphasize the purpose is to ensure continuity of

service while having those responsible for incurring the charges pay for those services. We would strongly object to any changes that shifted the accountability for the charges from the tenant to landlord or shifted the responsibility for arrears management from the utility to the landlord. In moving forward with this initiative, FRPO respectfully requests the opportunity to ensure that the proposed changes to EGD's policy, and for that matter any changes to Union's policy, in this area do not create these shifts in accountability and responsibility. We would welcome the opportunity to work with the respective utilities to ensure the resulting policies meet the Board's stated objectives and enhance the effectiveness of tenant relocations.

Conclusion

FRPO commends the Board and staff in its efforts to provide this initial consultation prior to making amendments to GDAR. Through due consideration such as this, the Board can continue to ensure that improvements meet its objectives and unintended consequences do not burden customers nor the distributors. Thank you for the opportunity to be involved in the process.

Respectfully Submitted on Behalf of FRPO,



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- c. EGD Regulatory Proceedings
Union Regulatory Proceedings
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