



**INFRASTRUCTURE SERVICES DEPARTMENT
KITCHENER UTILITIES**

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BY E-MAIL & COURIER

February 15, 2013

Ontario Energy Board
Attn: Ms. Kirsten Walli, Board Secretary
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2010-0280 – Customer Service Amendments to the Natural Gas Reporting and Record Keeping Requirements (“Gas RRR”) – Request for Comments by Parties – Response of the City of Kitchener (“Kitchener”)

The Ontario Energy Board (“Board”) issued a Notice of Proposal to Amend a Rule (“Notice”) dated December 13, 2012 for Customer Service Amendments to the Gas RRR which, among other things, invited comments from interested parties on the proposed amendments. By correspondence dated December 18, 2012, Kitchener requested and was granted an extension to file its comments on the proposed amendments by February 15, 2013. Kitchener thanks the Board for this extension and respectfully submits the following comments for consideration.

Introduction

At page 16 of the Notice, the Board noted as follows:

“In its March 26, 2012 submission commenting on the GDAR Low-Income Customer Service amendments, Kitchener Utilities stated that it is prepared to voluntarily comply with aspects of the proposed amendments to the extent that it can, given its situation relative to the larger gas distributors. The Board would encourage the non-rate regulated gas distributors to review the proposed Gas RRR amendments and indicate where they have, or could readily obtain, relevant data that they could then file. This will allow the Board to assess customer service policy trends across all gas distributors.”

Kitchener has carefully reviewed the proposed amendments and considered the extent to which it has or could readily obtain relevant data which could voluntarily be filed to allow the Board to assess customer service policy trends across all gas distributors. Kitchener has also reviewed the submissions of the rate-regulated gas distributors – Union Gas Limited (“UGL”), Enbridge Gas Distribution (“EGD”) and Natural Resource Gas Limited (“NRG”) – dated January 18, 2013, as well as the submissions of the Low-Income Energy Network (“LIEN”) dated January 18, 2013 and the joint

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submission of EGD and UGL dated February 5, 2013 related to the submission by LIEN. Kitchener has also reviewed the letter of clarification by UGL dated February 13, 2013.

General Comments – Scale / Scope & Privacy

As a non rate-regulated gas distributor, Kitchener supports the Board’s intent to assess customer service policy trends across all gas distributors. However, we submit that the stark differences in scale and scope among the handful of gas distributors in Ontario significantly impact the extent to which this assessment can be standardized or automated at the franchise service area at reasonable upfront and ongoing costs relative to the benefits.

In its submission, NRG spoke of the “onerous” nature of the proposed low-income tracking system and the additional ratepayer burden that would likely be required to provide it, relative to the very small number of eligible low-income and residential customers in its service area. Although Kitchener’s gas utility is larger than NRG, it is much closer in scale and scope to NRG than to UGL or EGD. In regard to size and means, we share NRG’s concerns and support its submission. NRG has “minute” customer numbers relative to EGD and UGL and limited personnel and manual tracking systems. It is sensible that NRG would seek exemption from the proposed amendments to the Gas RRR.

While Kitchener, as a non-rate regulated gas distributor, is not seeking an exemption from the proposed amendments, we are similarly constrained in our ability to voluntarily provide much of the relevant data which the Board seeks for its trend assessment. Kitchener can provide some relevant data, which is described further below. However, due to municipal privacy concerns, Kitchener currently does not classify or track in its billing and collection systems – nor does it intend in future to classify or track – any customer account as “low-income”.

Joint EGD and UGL Submission

In its joint submission, EGD and UGL set out their position in relation to the submission by LIEN that “targeted additions” should be made to the proposed amendments. Kitchener agrees with EGD and UGL that the additions proposed by LIEN are not appropriate or necessary for the reasons set out in the joint submission.

Proposed Amendments

Kitchener has set out below the extent to which it can voluntarily provide the relevant data sought by the Board under the proposed amendments to the Gas RRR. We would again caution the Board and parties that Kitchener’s billing, collection and customer information systems and processes are designed to provide gas and water utility distribution and other municipal and enterprise services such as water heater rentals, sewer and stormwater on an integrated basis. In most cases, it is not possible for Kitchener to readily separate customer activity related to a single service, such as gas. For efficiency, customer accounts are managed on an integrated basis. Data collected includes all utility and municipal services provided by Kitchener and therefore may not be relevant or meaningful for the Board’s intent to assess customer service policy trends.

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3.1 Number of Residential and Low-Income Customer Accounts

Kitchener can provide the number of services at year-end for residential customers, inclusive of all services provided.

3.2 Disconnections for Non-Payment

Kitchener can provide the number of customers disconnected for non-payment of utility or municipal services during the most recent year.

3.3 Amount of Arrears and Aging of Arrears

Kitchener can provide the total dollars in arrears for the overall number of customers, but not classified by service type, i.e. residential, commercial or industrial. A summary aging report can be provided.

3.4 Arrears Payment Agreements

Kitchener can provide data for the number of arrears payment agreements entered into during the year and the amounts owing under them, but not classified by service type, i.e. residential, commercial or industrial. Significant and costly process and system programming changes would be needed to provide further details.

3.5 Write-offs

Kitchener's practice is to write-off uncollectible accounts at six month intervals during its fiscal reporting year. We can provide data for the number of accounts and dollar value written off. This data is not currently classified by service type, i.e. residential, commercial or industrial, and includes all utility and municipal services provided by Kitchener. Process and system programming changes would be needed to provide further details.

3.6 Equal Billing and Equal Payment Plans (EPP)

Kitchener can provide summary data at year-end for the EPP, which is not restricted to residential customers. Process and system programming changes would be needed to provide further details.

3.7 Security Deposits

Kitchener can provide summary data for security deposits. This data is not currently classified by service type, i.e. residential, commercial or industrial, and is combined for gas and water. Process and system programming changes would be needed to provide further details.

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4.0 Customer Service-Related Enquiries and Complaints

Kitchener's current processes provide prompt responses to escalated complaints that are unresolved at the customer service representative (CSR) level. These escalated complaints are not classified by service type, i.e. residential, commercial or industrial, or tracked due to the multiple channels by which such complaints arise (for example, via Council / Mayor, Revenue Department or Utilities). However, the majority of utility enquiries and complaints are quickly resolved at the initial CSR contact point. Similar to the extensive change management and system changes cited by EGD in its submission, very significant and costly process and system programming changes would be needed for Kitchener to meet the requirements as proposed.

5.0 Baseline Data

Kitchener can provide baseline data in the existing format as noted above in the reporting sections for: number of customer accounts; write-offs, and security deposits. Again, this data would include all utility and municipal services provided by Kitchener and may not be relevant or meaningful for the Board's intent to assess customer service policy trends. Baseline data is not available for: disconnections for non-payment; accounts in arrears; aging of accounts in arrears; arrears payment agreements; or, equal billing and equal payment plans.

Concluding Comments

As noted in our March 26, 2012 submissions to the Board regarding the consultation on low-income gas customer service standards, Kitchener respectfully cautions that care must be taken in balancing the benefits to low-income customers (presumably, including better service outcomes) with the additional cost and administrative burden to implement the more detailed reporting processes set out in the proposed amendments that may unnecessarily duplicate existing reporting processes in our utility billing and collection services.

Kitchener thanks the Board for this opportunity to provide our comments on the proposed amendments to the Gas RRR and hope they are helpful. Please contact me if there are questions.

Sincerely,



James A. Gruenbauer, CMA
Manager, Regulatory Affairs and Supply

Cc: W. Malcolm (Kitchener)
J. Chatterjee (Kitchener)
Parties to EB-2010-0280