



395 Southgate Drive
Guelph, Ontario N1G 4Y1
Phone: 519-822-3017
www.guelphhydro.com

October 3, 2018

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

Dear Ms. Walli:

**Re: OEB File No. EB-2017-0183
Guelph Hydro Electric Systems Inc. (Guelph Hydro)'s Review of
Proposed Changes to Customer Service Rules for Utilities Phase One**

Please find enclosed with this letter Guelph Hydro's review of the proposed changes to the Customer Service Rules, as outlined in the Board's Report dated September 6, 2018.

Should there be any questions, please contact me at the number below.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Cristina Birceanu", with a stylized flourish at the end.

Cristina Birceanu

Vice President of Regulatory Affairs, Customer Care and Billing
Guelph Hydro Electric Systems Inc.

395 Southgate Drive,
Guelph, ON N1G 4Y1
Telephone - (519) 837-4735
Mobile - 226-218-2150
Fax - 519-836-6115
Email - cbirceanu@guelphhydro.com

Review of Proposed Changes - Customer Service Rules (EB-2017-0183)

REGULATORY FRAMEWORK FOR GAS DISTRIBUTORS

-) Develop customer service rules (as proposed to be amended), similar to the electricity rules, for gas distributors

Guelph Hydro's Comments:

No comments.

UNIT SUB-METER PROVIDERS

-) All proposals made in this Report apply to USMPs except for those relating to the following:
 - o Equal billing/equal payment plans
 - o Emergency credit card payments (to avoid disconnections)
 - o Discontinuing the application of late payment charges on the amount that is covered by the OEB's prescribed Arrears Payment Agreement for residential customers
 - o Winter Disconnection & Reconnection
 - o Non-Payment of Account Charges

Guelph Hydro's Comments:

No comments.

SECURITY DEPOSIT

-) Security deposit requirements should be waived for new residential customers enrolling in the utility's equal billing and/or pre-authorized payment plan as determined by the utility
-) Security deposits for small business customers should be returned after three years of good payment history

Guelph Hydro's Comments:

-) Waiving deposits for new residential customers who enroll in equal billing/pre-authorized payments will place utilities at increased risk.
-) Guelph Hydro agrees with returning security deposits for customers in the General Service <50 kW classification but would not be comfortable waiving deposits for commercial customers any larger than that.

MINIMUM PAYMENT PERIOD

-) The minimum payment period before late payment charges can be applied by a utility should be at least 20 calendar days from the date the bill was issued to the customer.

Guelph Hydro's Comments:

-) Guelph Hydro agrees with providing the customer more time to resolve their arrears; however, feels the timeline is too aggressive for monthly billing.
-) Extending the minimum due date period from the current 16 calendar days to 20 calendar days after bill issue date will impact LDC's working capital management. If this proposal is approved, the OEB should re-evaluate the default rate for working capital allowance.
-) Increasing the minimum payment period from 16 to 20 days will cause late payers to potentially carry a greater balance for a longer period of time. Guelph Hydro does not think this change will be beneficial for customers who struggle with money management issues.

EQUAL BILLING

-) Distributors should offer non-seasonal residential customers (except customers enrolled with retailers) an equal billing plan
-) Electricity distributors should offer equal billing customers the option of making preauthorized automatic monthly payments, but automatic payments should not be a pre-condition for enrollment
-) Equal billing customers choosing the pre-authorized automatic monthly payment option should be provided with a choice of at least two dates within a month for automatic payments to be withdrawn
-) Distributors may adjust the methodology for calculating the customer's average monthly bill to account for known changes and/or to accommodate a customer request
-) Distributors may adjust the equal monthly billing amount at any time to accommodate a customer request or if the difference between the equal monthly billing amount and the actual amount is extraordinary
-) Distributors may cancel the customer's equal billing plan after two missed payments under the plan within an equal billing year
-) Distributors should offer the equal billing plan to small business customers subject to the following exceptions:
 - o Customers enrolled with energy retailers
 - o Customers with less than 12 months' billing history
 - o Customers in arrears or whose participation in the plan in the past 12 months was cancelled due to non-payment
 - o Customers whose consumption pattern is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of accuracy
-) Distributors should communicate the equal billing plan to eligible customers, at least twice a year, through the customer's preferred method of communication, if known, or otherwise through one or more means that are most effective in making customers aware of the plan

Guelph Hydro's Comments:

-) Equal payment plan calculations should include a mandatory estimated increase for inflation rather than be calculated solely on previous year's consumption data. Customers most often underpay due to electricity rate increases not being considered in the equal payment plan calculation (except in the circumstance where LDC staff complete a manual review).
-) If a customer opts not to have automatic withdrawals, then the LDC should have the ability to request a security deposit.
-) Equal payment plans could be offered to small business customers, but a more frequent review process should be imposed to ensure payments are in line with actual costs. To alleviate LDC risk, security deposits should be required regardless if a small business customer is on an equal payment plan.
-) If equal billing plans are offered to small business customers, due to the potential risk of underestimating and company closures, particularly where there is no deposit on file, budget settle-ups would need to be done on a quarterly basis at minimum.

PAYMENT BY CREDIT CARD

The credit card payment option should remain at the discretion of the utility subject to the following current Rules:

-) Where a distributor has issued a disconnection notice to a residential customer for non-payment, the distributor must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card issued by a financial institution
-) When a distributor visits a customer's property to disconnect service during or after regular business hours, the distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit cards issued by a financial institution

Guelph Hydro's Comments:

No comments.

ALLOCATION OF PAYMENT

-) Utilities should allocate payments between energy and non-energy charges as per the current electricity Rules unless the customer specifically requests otherwise
-) A utility should explain to a customer requesting a customized allocation method the potential impact on the customer's electricity service before processing the request

Guelph Hydro's Comments:

-) Guelph Hydro's billing system does not allow payments to be allocated in this manner. Options are set up universally and applied equally to all payments.

Currently payments are applied to electricity charges first, then to water, sewage, and stormwater services on a percentage basis.

ARREARS PAYMENT AGREEMENT

-) Distributors should not charge residential customers additional late payment charges on the amount that is covered by the OEB-prescribed APA
-) Utilities should offer reasonable payment arrangements to small business customers unable to pay their bill. In the event a small business customer fails to perform its obligations under a previous payment plan and the utility terminates the plan, the utility may require that the customer wait 12 months after termination before entering into another payment plan

Guelph Hydro's Comments:

-) Guelph Hydro's billing system does not have the capacity to exclude Arrears Payment Arrangement amounts from the calculation of late payment charges. The system charges a percentage of the entire outstanding amount.
-) Guelph Hydro does not agree that late payment charges should be waived for amounts included in an Arrears Management Plan. Customers should pay late charges on late payments.
-) Guelph Hydro has offered payment arrangements to small business customers for many years and agrees this should become a general practice.

NOTICE OF DISCONNECTION CONTENT

-) The Rules should expressly state that a disconnection notice issued to a residential customer should include the information prescribed by the Rules, otherwise it is invalid, and any disconnection following such an invalid notice would be unlawful
-) Implement housekeeping amendments to the Rules to separate the requirements that apply to all utilities from those that may not apply to all utilities

Guelph Hydro's Comments:

-) Guelph Hydro agrees, provided the notice requirements are clear and concise without any potential for misinterpretation.

DISCONNECTION NOTICE PERIOD, DISCONNECTION WINDOW AND TIMING

-) Utilities should provide customers with an "account overdue notice" at least 14 calendar days before the notice of disconnection is issued
-) Before disconnecting a customer's service for reasons of non-payment, a utility should provide the customer with 14 calendar days' notice
-) Where a disconnection notice is sent by mail, the disconnection notice should be deemed to have been received by the customer on the fifth calendar day after the date on which the notice was printed by the utility

-) Utilities should disconnect services within 14 calendar days after the applicable minimum notice period
-) Utilities should not disconnect a customer on a day when the utility is closed to the public to make payment and/or reconnection arrangements or on the day preceding that day

Guelph Hydro's Comments:

-) Guelph Hydro agrees with extending the disconnection window from the current 11 calendar days to 14 calendar days. However, Guelph Hydro has concerns with the proposed delinquency timeline to complete credit processes. Under the proposed changes, a distributor can disconnect service up to 48 calendar days after the bill issue date (due date is 20 days after bill issue date, plus "account overdue notice"/reminder notice provided 14 days before disconnection notice, plus 14-day window to disconnect). However, during this timeframe a new bill is issued and will come due only a few days before the last disconnection date for arrears (48 days after previous bill issue date). This will cause confusion to customers and intensify their difficulty managing arrears. Guelph Hydro suggests requiring an "account overdue notice"/reminder notice between 7-10 calendar days prior to issuing a disconnection notice.
-) Guelph Hydro agrees with, and currently does not disconnect services on Fridays, weekends, or holidays.

WINTER DISCONNECTION POLICY

-) Current electricity distribution licence conditions relating to winter disconnection ban to remain in effect subject to changing the required reconnection date from November 15 to December 1
-) Develop winter disconnection and reconnection rules for the gas distributors based on the current licence conditions in effect for electricity distributors as proposed to be amended.

Guelph Hydro's Comments:

-) Guelph Hydro agrees with modifying the required reconnection date from November 15 to December 1.

LATE PAYMENT CHARGES

-) The late payment charge be prescribed as follows: **1.5% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)**
-) Distributors should clearly describe in their conditions of service their late payment policy including the time from when late payment charges apply

Guelph Hydro's Comments:

No comments.

COLLECTION OF ACCOUNT CHARGE

-) Remove the Collection of Account charge from electricity distributors' approved Tariff of Rates and Charges

Guelph Hydro's Comments:

-) Guelph Hydro is able to remove the collection charge amount, and has no issue with this provided that collection costs are embedded in rates in some other manner.
-) If the proposal to remove the collection charge is granted, Guelph Hydro proposes to track collection of account costs in a DVA account for recovery in a future rate proceeding.

INSTALL/REMOVE LOAD CONTROL DEVICE CHARGE

-) Remove Install/Remove Load Control Device charge from electricity distributors' approved Tariff of Rates and Charges

Guelph Hydro's Comments:

No comments.

DISCONNECT/RECONNECT CHARGE

-) Change the name of the charge from "Disconnect/Reconnect" to "Reconnection"
-) Distributors should apply the charge to the bill following the reconnection and allow residential customers to pay it in equal installments over a period of three months following the reconnection
-) Distributors should waive the charge for eligible low-income customers

Guelph Hydro's Comments:

No comments.