



CORNERSTONE HYDRO ELECTRIC CONCEPTS ASSOCIATION

POLICIES

CONDITIONS OF SERVICE

May 31, 2011





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| Policy 6.0 – SECURITY DEPOSIT POLICY | Version 7.0 |
| | <i>Created: June 2002 Latest Revision: May 2011</i> |

6.0.1 PURPOSE:

This policy describes the terms and conditions distributors will use for collection, maintaining and returning customer security deposits while complying with the applicable legislation and codes.

6.0.2 POLICY STATEMENT:

A distributor will comply with the deposit requirements as defined in the Distribution System Code, Retail Settlement Code, Standard Supply Service Code, and the Distribution Rate Handbook but may waive these requirements in favor of a customer or potential customer.

6.0.3 MINIMUM REQUIREMENTS:

A distributor’s security deposit policy shall include at a minimum the following:

- a list of all potential types/forms of security accepted;
- a detailed description of how the security is calculated;
- limits on the amount of security required;
- the planned frequency, process and timing of updating security;
- a description of how interest payable to customers is determined;
- criteria customer must meet to have security deposit waived and/or returned; and
- methods of enforcements where a security deposit is not paid (*Ref: DSC 2.4.6.1*).

In managing customer non-payment risk, a distributor shall not discriminate among customers with similar risk profiles or risk related factors except where expressly permitted under the Distribution System Code (*Ref: DSC 2.4.6.2*).

6.0.4 CRITERIA FOR WAIVER OR RETURN OF SECURITY DEPOSIT:

The distributor may require a security deposit from a customer who is not billed by a competitive retailer under retailer-consolidated billing unless the customer has a good payment history of:

- 1 year in the case of a residential customer,
- 5 years in the case of a non-residential customer in < 50 kW demand rate class, or
- 7 years in the case of a non-residential customer in any other rate class.

The time period that makes up the good payment history must be the most recent period of time and some of the time period must occur in the previous 24 months. A distributor shall provide a customer with the specific reasons for requiring a security deposit from the customer (*Ref: DSC 2.4.9*).



A customer is deemed to have a good payment history, unless, during the relevant time period:

- the customer has received more than one disconnection notice from the distributor;
- more than one cheque given to the distributor by the customer has been returned for insufficient funds;
- more than one pre-authorized payment to the distributor has been returned for insufficient funds;
- a disconnection/collection trip has occurred; or
- a distributor had to apply a security deposit to the arrears on the account and required the customer to repay the security deposit.

If any of the preceding events occur due to an error by the distributor, the customer's good payment history shall not be affected (*Ref: DSC 2.4.10*).

The distributor shall not require a security deposit where:

- the customer provides a letter from another electricity distributor or gas distributor in Canada confirming a good payment history with that distributor for the most recent relevant time period, where some of the time period which makes up the good payment history has occurred in the previous 24 months; or,
- a customer, other than a customer in a >5,000 kW demand rate class, that provides a satisfactory credit check made at the customer's expense (*Ref: DSC 2.4.11*).

6.0.5 METHOD OF CALCULATION AND LIMIT OF SECURITY DEPOSIT:

The maximum amount of the security deposit which a distributor may require a customer to pay shall be calculated in the following manner:

- The "**Billing Cycle Factor**" times the estimated bill based on the customer's average monthly consumption/load with the distributor in the most recent 12 consecutive months within the past two years; or
- Where relevant usage information is not available for the customer for 12 consecutive months within the past two years or the billing system is not capable of making the calculation, the customer's average monthly consumption/load shall be based on a reasonable estimate made by the distributor (*Ref: DSC 2.4.12*).

Where a non-residential customer in any rate class other than a <50kW demand rate class has a credit rating from a recognized credit rating agency, the maximum amount of the security deposit required by the distributor shall be reduced in accordance with the following table (*Ref: DSC 2.4.13*):



| Credit Rating (Using Standard and Poor's Rating Terminology) | Allowable Reduction |
|---|---------------------|
| AAA- and above or equivalent | 100% |
| AA-, AA, AA+ or equivalent | 95% |
| A-, A, A+ or equivalent | 85% |
| BBB-, BBB, BBB+ or equivalent | 75% |
| Below BBB- or equivalent | 0% |

For the purposes of calculating the estimated bill for a consumer who is billed under SSS or distributor consolidated billing and who is:

- a low-volume consumer or designated consumer, the price estimate used in calculating competitive electricity costs shall be the same as the price used by the IESO for the purpose of determining maximum net exposures and prudential support obligations for distributors, low-volume consumers and designated consumers.
- other than a low-volume consumer or designated consumer, the price estimated used in calculating competitive electricity costs shall be the same as the price used by the IESO for the purpose of determining maximum net exposures and prudential support obligations for market participants other than distributors, low-volume consumers and designated customers (Ref: DSC 2.4.14).

A distributor may in its discretion reduce the amount of a security deposit which it requires a customer to pay for any reason including where the customer pays under an interim payment arrangement and where the customer makes pre-authorized payments (Ref: DSC 2.4.15).

The “**Billing Cycle Factor**” is 2.5 if the customer is billed monthly, 1.75 if the customer is billed bi-monthly and 1.5 if the customer is billed quarterly (Ref: DSC 2.4.16).

Where a customer, other than a residential electricity customer, has a payment history which discloses more than one disconnection notice in a relevant 12 month period, the distributor may use that customer’s highest actual or estimated monthly load for the most recent 12 consecutive months within the past 2 years for the purposes of making the calculation of the maximum amount of the security deposit (Ref: DSC 2.4.17).

6.0.6 FORM OF SECURITY DEPOSIT:

Residential – The form of payment of a security deposit for a residential customer shall be cash or cheque at the discretion of the customer or such other form as is acceptable to the distributor (Ref: DSC 2.4.18).

The distributor shall permit a residential customer to pay the security deposit in equal instalments paid over a period not exceeding six (6) months, including where a new security deposit is required due to the distributor having applied the existing security deposit against amounts owing. The customer may elect to pay the security deposit over a shorter period of time (Ref: DSC 2.4.20A).



General Service – The form of payment of a security deposit for a non-residential customer shall be cash, cheque or an automatically renewing, irrevocable letter of credit from a bank as defined in the *Bank Act 1991, c46*, at the discretion of the customer. The distributor may also accept other forms of security such as surety bonds and third party guarantees (*Ref: DSC 2.4.19*).

The distributor shall permit a General Service customer to provide a security deposit in equal instalments paid over a period not exceeding four (4) months. A customer may, in its discretion, choose to pay the security deposit over a shorter period of time (*Ref: DSC 2.4.20*).

6.0.7 INTEREST PAYABLE:

Interest shall accrue monthly on security deposits made by way of cash or cheque commencing on receipt of the total deposit required by the distributor. The interest shall be at the Prime Business Rate as published on the Bank of Canada website less 2 percent, updated quarterly. The interest accrued shall be paid out at least once every 12 months, on return or application of the security deposit, or closure of the account, whichever comes first, and may be paid by crediting the account of the customer or otherwise (*Ref: DSC 2.4.21*).

6.0.8 PLANNED FREQUENCY, PROCESS AND TIMING OF UPDATING SECURITY DEPOSITS:

The distributor shall review every customer's security deposit at least once every calendar year to determine whether the entire amount of the security deposit is to be returned to the customer or adjusted based on a re-calculation of the maximum amount of the security deposit (*Ref: DSC 2.4.22*).

Residential Customer – Where a residential customer has paid a security deposit in instalments, a distributor shall conduct a review of the customer's security deposit in the calendar year following the first anniversary of the initial instalment and thereafter at the next review as required by this policy (*Ref: DSC 2.4.22A*).

A customer may, no earlier than 12 months after payment of a security deposit or the making of a prior demand for a review, demand in writing that a distributor undertake a review to determine whether the entire amount of the security deposit is to be returned to the customer as the customer is now in a position that it would be exempt from paying a security deposit or whether the amount of the security deposit is to be adjusted based on a recalculation of the maximum amount of the security deposit (*Ref: DSC 2.4.23*).

Residential Customer – Where a residential customer has paid a security deposit in instalments, the customer shall not be entitled to request a review of the security deposit until 12 months after the first installment was paid (*Ref: DSC 2.4.23A*).



Where the distributor determines in conducting a review that some or all of the security deposit is to be returned to the customer, the distributor shall promptly return this amount to the customer by crediting the customer's account or otherwise.

>5000kW – In the case of a customer in a >5000 kW demand rate class, where the customer is now in a position that it would be exempt from paying a security deposit, the distributor is only required to return 50% of the security deposit held by the distributor.

Where the distributor determines in conducting a review that the maximum amount of the security deposit is to be adjusted upward, the distributor may require the customer to pay this additional amount at the same time the customer's next regular bill comes due (*Ref: DSC 2.4.25*).

Residential – Where a residential electricity customer is required to adjust the security deposit upwards, a distributor shall permit the customer to pay the adjustment amount in equal installments paid over a period of at least 6 months. A customer may elect to pay the security deposit over a shorter period of time (*Ref: DSC 2.4.25A*).

A distributor shall promptly return any security deposit received from the customer upon closure of the customer's account, subject to the distributor's right to use the security deposit to off-set other amounts owing by the customer to the distributor. The security deposit shall be returned within six weeks of the closure of an account (*Ref: DSC 2.4.26*).

Residential – A distributor shall not issue a disconnection notice to a residential customer for non-payment unless the distributor has first applied any security deposit held on account for the customer against any amounts owing at that time and the security deposit was insufficient to cover the total amount owing (*Ref: DSC 2.4.26A*).

Residential – Where a distributor applies all or part of a security deposit to off-set amounts owing by a residential customer, the distributor may request that the customer repay the amount of the security deposit that was so applied. The distributor shall allow the residential customer to repay the security deposit as per the requirements of this policy (*Ref: DSC 2.4.26B*).

A distributor shall apply a security deposit to the final bill prior to the change in service where a customer changes from SSS to a competitive retailer that uses retailer-consolidated billing or a customer changes billing options from distributor-consolidated billing to split billing or retailer-consolidated billing. A distributor shall promptly return any remaining amount of the security deposit to the customer. A distributor shall not pay any portion of a customer's security deposit to a competitive retailer. Where a change is made from distributor-consolidated billing to split billing, a distributor may retain a portion of the security deposit amount that reflects the non-payment risk associated with the new billing option (*Ref: DSC 2.4.27*).



Where all or part of a security deposit has been paid by a third party on behalf of a customer, the distributor shall return the amount of the security deposit paid by the third party, including interest, where applicable, to the third party. This obligation shall apply where and to the extent that:

- the third party paid all or part (as applicable) of the security deposit directly to the distributor;
- the third party has requested, at the time the security deposit was paid or within a reasonable time thereafter, that the distributor return all or part (as applicable) of the security deposit to it rather than to the customer; and
- there is not then any amount overdue for payment by the customer that the distributor is permitted by this Code to offset using the security deposit (*Ref: DSC 2.4.28*).

6.0.9 METHOD OF ENFORCEMENT WHERE SECURITY DEPOSIT IS NOT PAID:

Failure to pay the security deposit as required will result in the immediate implementation of the distributor's Collection Policy which may lead to the discontinuation of electrical service.

6.0.10 RESPONSIBILITIES:

Distributor management is responsible for ensuring this policy is implemented and adhered to by the employees of the distributor.



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| Policy 6.2 – BILLING AND PAYMENT POLICY | Version 7.0 |
| | <i>Created: May 2011 Latest Revision: May 2011</i> |

6.2.1 PURPOSE:

This policy describes the terms and conditions distributors will use for billing and receiving payments on customer accounts while complying with the applicable legislation and codes.

6.2.2 POLICY STATEMENT:

A distributor will comply with the billing and payment of account requirements as defined in the Distribution System Code, Retail Settlement Code, Standard Supply Service Code, and the Distribution Rate Handbook.

6.2.3 BILLING:

A distributor shall include on each bill issued to a customer the date on which the bill is printed (*Ref: DSC 2.6.1*).

A bill will be deemed to have been issued to a customer:

- if sent by mail, on the third day after the date on which the bill was printed by the distributor;
- if made available over the internet, on the date on which an e-mail is sent to the customer notifying the customer that the bill is available for viewing over the internet;
- if sent by e-mail, on the date on which the e-mail is sent; or
- if sent by more than one of the methods above, on whichever date of deemed issuance occurs last (*Ref: DSC 2.6.4*).

Except as may be permitted or directed by the Ontario Energy Board, a distributor shall not include on or with a bill submitted to a standard supply service customer any marketing information or promotional materials of or relating to a third party and that relate to electricity supply (*Ref: SSS 2.6.3*).

6.2.4 BILLING CYCLE:

The distributor may, at its option, render bills to its customers on either a monthly equal payment, monthly, bi-monthly, quarterly or annual basis. The option applicable to the customer shall be identified to the customer at the time of application for service. Prorating of service and demand charges will be performed at the discretion of the Distributor.

Despite the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service, in managing customer non-payment risk a distributor may:



- (a) bill a customer on a bi-weekly basis, if the value of that customer's electricity bill over 12 consecutive months falls between 51% and 100% of the distributor's approved distribution revenue requirement over that 12-month period; or
- (b) bill a customer on a weekly basis, if the value of that customer's electricity bill over 12 consecutive months exceeds 100% of the distributor's approved distribution revenue requirement over that 12-month period.

For the purposes of determining whether this section applies in relation to a customer, a distributor may consider the value of the customer's electricity bill in the 12-month period preceding the coming into force of this section (*Ref: DSC 2.4.32*).

A distributor shall not bill a customer on a bi-weekly or weekly basis unless the distributor has given the customer at least 42 days' notice before issuance of the first bi-weekly or weekly bill, as the case may be (*Ref: DSC 2.4.33*).

Where a distributor is billing a customer on a bi-weekly, weekly or an alternatively negotiated arrangement, the distributor shall resume billing the customer in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service if the value of that customer's annual electricity bill over 12 consecutive months falls below 51% of the distributor's distribution revenue over that 12-month period (*Ref: DSC 2.4.34*).

Where a distributor is billing a customer on a weekly basis, the distributor shall bill the customer as follows if the value of that customer's annual electricity bill over 12 consecutive months falls between 51% and 100% of the distributor's distribution revenue over that 12-month period:

- (a) in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service; or
- (b) on a bi-weekly or alternatively negotiated arrangement (*Ref: DSC 2.4.35*).

Despite any other provision of this policy, a distributor that intends to bill or is billing a customer on a bi-weekly or weekly basis may, in lieu of such billing, negotiate alternative arrangements with the customer, including in relation to a lesser frequency of billing or in relation to the giving or retention of security deposits (*Ref: DSC 2.4.36*).

6.2.5 EQUAL PAYMENT PLAN (SSS RESIDENTIAL CUSTOMERS ONLY):

A distributor shall offer an equal monthly payment plan option to all residential customers receiving standard supply service. The equal monthly payment plan option shall meet the minimum requirements as specified in the Standard Supply Service Code (*Ref: SSS 2.6.2*).

6.2.6 PAYMENT:

Except as otherwise permitted by this policy, a distributor shall not treat a bill issued to a customer as unpaid, and shall not impose any late payment or other charges associated



with non-payment, until a minimum payment period of 16 days from the date on which the bill was issued to the customer has passed. A distributor may provide for longer minimum payment periods, provided that any such longer minimum payment periods are documented in the distributor's Conditions of Service, Section 2.4.5 (Ref: *DSC 2.6.2, 2.6.3*).

A distributor shall apply the following rules for purposes of determining the date on which payment of a bill has been received from a customer:

- if paid by mail, three days prior to the date on which the distributor receives the payment
- if paid at a financial institution or electronically, on the date on which the payment is acknowledged or recorded by the customer's financial institution or;
- if paid by credit card issued by a financial institution, on the date and at the time that the charge is accepted by the financial institution (Ref: *DSC 2.6.5*).

Residential – Where a bill issued to a residential customer includes charges for goods or services other than electricity charges, a distributor shall allocate any payment made by the customer first to the electricity charges and then, if funds are remaining, to the charges for other goods or services (Ref: *DSC 2.6.6*).

6.2.7 COMPUTATION OF TIME:

A distributor shall apply the following rules relating to the computation of time:

- where there is reference to a number of days between two events, the days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens;
- where the time for doing an act expires on a day that is not a business day, the act may be done on the next day that is a business day;
- where an act, other than payment by a customer, occurs on a day that is not a business day, it shall be deemed to have occurred on the next business day;
- where an act, other than payment by a customer, occurs after 5:00 p.m., it shall be deemed to have occurred on the next business day; and
- receipt of a payment by a customer is effective on the date that the payment is made, including payments made after 5:00 p.m. (Ref: *DSC 2.6.7*).

6.2.8 METHOD OF ENFORCEMENT WHERE PAYMENT IS NOT RECEIVED:

Failure to pay bills on the due date will result in the immediate implementation of the distributor's Collection Policy which may lead to the discontinuation of electrical service.

6.2.9 RESPONSIBILITIES:

Distributor management is responsible for ensuring this policy is implemented and adhered to by the employees of the distributor.



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| Policy 8.1 – DISCONNECTION/RECONNECTION POLICY | Version 7.0 |
| | <i>Created: September 2002 Latest Revision: May 2011</i> |

8.1.1 PURPOSE:

This policy describes the terms and conditions distributors will use when disconnecting and/or reconnecting the electrical service of a consumer while complying with the applicable legislation and codes.

8.1.2 POLICY STATEMENT:

A distributor will comply with the disconnection and reconnection requirements as defined in the Distribution System Code, Retail Settlement Code, Standard Supply Service Code, and the Distribution Rate Handbook.

8.1.3 GENERAL REQUIREMENTS:

The distributor shall have the right to limit or discontinue service without further notification to the customer for payment default, including default of payment arrangements, bankruptcy, receivership, or property foreclosure.

8.1.4 PLANNED INTERRUPTIONS

Although it is the Distributors’ policy to minimize inconvenience to Customers, it is necessary to occasionally interrupt a Customers’ supply to maintain or improve the Distributors’ system, or to provide new or upgraded services to other Customers. Whenever practical and cost effective, as determined by the Distributor, arrangements suitable to the Customer and the Distributor may be made to minimize any inconvenience. The Distributor will endeavor to provide the Customer with reasonable advance notice, except in cases of emergency, involving danger to life and limb, or impending severe equipment damage.

8.1.5 DISCONNECTION BY REQUEST:

Customers may make a written request (written, telephone, e-mail) to the distributor for temporary disconnection of electrical service. A distributor shall make every reasonable effort to respond promptly to a customer’s request for disconnection. A charge for temporary disconnection and reconnection may apply.

8.1.6 DISCONNECTION WITH NOTIFICATION:

Prior to disconnecting a property for non-payment, a distributor shall provide to any person that, according to the distributor’s Conditions of Service, receives notice of the disconnection:



- the Fire Safety Notice of the Office of the Fire Marshal; and
- any other public safety notices or information bulletins issued by public safety authorities and provided to the distributor, which provide information to consumers respecting dangers associated with the disconnection of electricity service (*Ref: DSC 4.2.1.1*).

A distributor shall include a copy of the notices or bulletins referred to above along with any notice of disconnection that is left at the property at the time of actual disconnection for non-payment (*Ref: DSC 4.2.1.2*).

A distributor that intends to disconnect, pursuant to section 31 of the Electricity Act, 1998, the property of a residential customer for non-payment shall send or deliver a disconnection notice to the customer that contains, at a minimum, the following information:

- the date on which the disconnection notice was printed by the distributor;
- the earliest and latest dates on which disconnection may occur;
- the amount that is then overdue for payment, including all applicable late payment and other charges associated with non-payment to that date;
- the amount of any approved service charge(s) that may apply if disconnection occurs, and the circumstances in which each of these charges is payable;
- the forms of payment that the customer may use to pay all amounts that are identified as overdue in the disconnection notice, which must at least include payment by credit card issued by a financial institution and any other method of payment that the distributor ordinarily accepts and which can be verified within the time period remaining before disconnection;
- the time period during which any given form of payment listed under paragraph (e) will be accepted by the distributor;
- that in order to avoid disconnection if the distributor attends at the customer's property to execute the disconnection, a customer will only be able to pay by credit card issued by a financial institution, unless the distributor, in its discretion, will accept other forms of payment at the time and sets out the other forms of payment in the disconnection notice;
- that a disconnection may take place whether or not the customer is at the premises;
- that where applicable, the disconnection may occur without attendance at the customer's premises;
- that a Vital Services By-Law may exist in the customer's community and that the customer should contact their local municipality for more information;
- that a Board- prescribed arrears management program and equal monthly payment plan option may be available to all residential customers, along with the contact information for the distributor where the customer can obtain further information; and
- any additional option(s) that the distributor chooses, in its discretion, to offer to the customer to avoid disconnection and the deadline for the customer to avail himself or herself of such option(s) (*Ref: DSC 4.2.2*).



A distributor that sends or delivers to a customer a disconnection notice, pursuant to section 31(2) of the Electricity Act, 1998, for non-payment shall not include that notice in the same envelope as a bill or any other documentation emanating from the distributor *(Ref: DSC 4.2.2.1)*.

A distributor shall, at the request of a residential customer, send a copy of any disconnection notice issued to the customer for nonpayment to a third party designated by the customer for that purpose provided that the request is made no later than the last day of the applicable minimum notice period set out in the distributors Billing and Payment Policy. In such a case:

- the distributor shall notify the third party that the third party is not, unless otherwise agreed with the distributor, responsible for the payment of any charges for the provision of electricity service in relation to the customer's property; and
- the rules set out in the distributors Billing and Payment Policy shall apply, with such modifications as the context may require, for the purposes of determining the date of receipt of the disconnection notice by the third party *(Ref: DSC 4.2.2.2)*.

A customer may, at any time prior to disconnection, designate a third party to also receive any future notice of disconnection and the distributor shall send notice of disconnection to such third party *(Ref: DSC 4.2.2.2A)*.

A distributor shall accept electronic mail (e-mail) or telephone communications from the customer for purposes of disconnection and reconnection with respect to a designated third party *(Ref: DSC 4.2.2.2B)*.

A disconnection notice issued for non-payment shall expire on the date that is 11 days from the last day of the applicable minimum notice period referred to in this policy, determined in accordance with the rules set out in the distributors Billing and Payment Policy. A distributor may not thereafter disconnect the property of the customer for non-payment unless the distributor issues a new disconnection notice *(Ref: DSC 4.2.2.3)*.

A distributor shall make reasonable efforts to contact, in person or by telephone, a residential customer to whom the distributor has issued a disconnection notice for non-payment at least 48 hours prior to the scheduled date of disconnection. At that time, the distributor shall:

- advise the customer of the scheduled date for disconnection;
- advise the customer that a disconnection may take place whether or not the customer is at the premises;
- where applicable, advise the customer that the disconnection may occur without attendance at the customer's premises;
- advise that the customer has the option to pay amounts owing by credit card issued by a financial institution, in addition to other forms of payment that the distributor will accept at that time and which can be verified within the time period remaining before disconnection; and advise during what hours such payments may be made;



- advise the customer that, if the distributor attends at the customer's property to execute the disconnection, the customer will only be able to pay by credit card issued by a financial institution, unless the distributor, in its discretion, will accept other forms of payment at that time;
- advise the customer that a Board-prescribed standard arrears management program and equal monthly payment plan option may be available to all residential customers; the distributor must be prepared to enter into an arrears payment agreement at that time if the customer is eligible; and
- advise the customer of any additional option(s) that the distributor, in its discretion, wishes to offer to the customer to avoid disconnection (*Ref: DSC 4.2.2.4*).

Where a distributor issues a disconnection notice for non-payment in respect of the disconnection of a multi-unit, master-metered building, the distributor shall post a copy of the disconnection notice in a conspicuous place on or in the building promptly after issuance of the notice (*Ref: DSC 4.2.2.5*).

A distributor shall suspend any disconnection action for a period of 21 days from the date of notification by a registered charity, government agency or social service agency that it is assessing a residential customer for the purposes of determining whether the customer is eligible to receive bill payment assistance, provided such notification is made within 10 days from the date on which the disconnection notice is received by the customer. Where a residential customer had requested prior to the issuance of the disconnection notice that the distributor also provide a copy of any disconnection notice to a third party, the distributor shall suspend any disconnection action for a period of 21 days from the date of notification by the third party that he or she is attempting to arrange assistance with the bill payment, provided such notification is made within 10 days from the date on which the disconnection notice is received by the customer (*Ref: DSC 4.2.2.6*).

Upon notification by a registered charity, government agency or social service agency that a customer is not eligible to receive bill payment assistance, or if another third party who was considering the provision of bill assistance decides not to proceed, the distributor may continue its disconnection process. Distributors will have up to 11 days to act on the previous disconnection notice and must make a further reasonable effort to contact the customer in accordance with prior to executing disconnection (*Ref: DSC 4.2.2.7*).

A distributor shall not disconnect a customer for non-payment until the following minimum notice periods have elapsed.

- 60 days from the date on which the disconnection notice is received by the customer, in the case of a residential customer that has provided the distributor with documentation from a physician confirming that disconnection poses a risk of significant adverse effects on the physical health of the customer or on the physical health of the customer's spouse, dependent family member or other person that regularly resides with the customer; or
- 10 days from the date on which the disconnection notice is received, in all other cases (*Ref: DSC 4.2.3*).



Receipt of disconnection notice is determined as follows:

- where a disconnection notice is sent by mail, the disconnection notice shall be deemed to have been received by the customer on the third business day after the date on which the notice was printed by the distributor;
- where a disconnection notice is delivered by personal service, the disconnection notice shall be deemed to have been received by the customer on the date of delivery;
- where a disconnection notice is delivered by being posted on the customer's property, the disconnection notice shall be deemed to have been received by the customer on the date of such posting;
- "spouse" has the meaning given to it in section 29 of the Family Law Act;
- "dependent family member" means a "dependent" as defined in section 29 of the Family Law Act and also includes a grandparent who, based on need, is financially dependent on the customer; and
- the distributor shall apply the rules relating to the computation of time set out in section 8.1.10 of this policy (*Ref: DSC 4.2.3.1*).

8.1.7 DISCONNECTION WITHOUT NOTICE:

A distributor may disconnect without notice in accordance with a court order or for emergency, safety or system reliability reasons (*Ref: DSC 4.2.4*).

8.1.8 PAYMENT TO AVOID DISCONNECTION:

Disconnection can be avoided if payment is made as follows:

(a) Where a distributor has issued a disconnection notice to a residential customer for non-payment, the distributor shall ensure it has the facilities or staff available to permit the customer to pay all amounts that are then overdue for payment by credit card issued by a financial institution. This payment option must be offered during the regular business hours of the distributor, from the time the disconnection notice is delivered to a residential customer until the time the distributor's staff attends at the customer's premises to execute the disconnection.

(b) Where a distributor attends at a customer's property to execute a disconnection, whether during or after the distributor's regular business hours, the distributor shall ensure it has the facilities or staff available at that time to permit the customer to pay all amounts that are then overdue for payment by credit card issued by a financial institution. The distributor may, in its discretion, also accept other forms of payment at the time of disconnection.

(c) Where a distributor was unsuccessful in its attempt to contact a residential customer 48 hours before the planned disconnection and the distributor intends to execute the disconnection by attendance at the customer's premises, the distributor shall make a reasonable attempt to communicate with the customer, with due regard



for the safety and security of the distributor's personnel, if the customer is at the property, to advise that disconnection will be executed and that payment may be made by credit card issued by a financial institution (*Ref: DSC 4.2.5*).

The physical process by which a distributor disconnects or reconnects shall reflect good utility practice and consider safety as a primary requirement (*Ref: DSC 4.2.5.1*).

A distributor may recover from the customer responsible for the disconnection reasonable costs associated with disconnection, including overdue amounts payable by the customer. A distributor may recover from the customer responsible for the disconnection reasonable costs for repairs of the distributor's physical assets attached to the property in reconnecting the property (*Ref: DSC 4.2.5.2*).

8.1.9 RECONNECTION:

The distributor shall insist that electrical services that have been disconnected for six (6) or more months have an inspection certificate from the Electrical Safety Authority prior to reconnection. Notwithstanding the distributor reserves the right to require, an Electrical Safety Authority inspection certificate at any time prior to reconnection at the expense of the customer.

The distributor shall insist that a responsible representative of the property be present when electrical service is energized or reconnected.

A distributor may recover from the person requesting the reconnection any Board approved reconnection charges (*Ref: DSC 4.2.5.3*).

Where a distributor has disconnected the property of a customer for non-payment, the distributor shall reconnect the property within 2 business days of the date on which the customer:

- makes payment in full of the amount overdue for payment as specified in the disconnection notice; or
- enters into an arrears payment agreement with the distributor referred to in Policy 7.3 (*Ref: DSC 7.10.1*).

8.1.10 COMPUTATION OF TIME:

A distributor shall apply the following rules relating to the computation of time:

- where there is reference to a number of days between two events, the days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens;
- where the time for doing an act expires on a day that is not a business day, the act may be done on the next day that is a business day;
- where an act, other than payment by a customer, occurs on a day that is not a business day, it shall be deemed to have occurred on the next business day;



- where an act, other than payment by a customer, occurs after 5:00 p.m., it shall be deemed to have occurred on the next business day; and
- receipt of a payment by a customer is effective on the date that the payment is made, including payments made after 5:00 p.m. (*Ref: DSC 2.6.7*).

8.1.11 RESPONSIBILITIES:

Distributor management is responsible for ensuring this policy is implemented and adhered to by the employees of the distributor.



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| Policy 9.3 – ENVIRONMENTAL POLICY | Version 7.0 |
| | <i>Created: September 2002 Latest Revision: May 2011</i> |

9.3.1 PURPOSE:

This policy describes the terms and conditions distributors will follow regarding the privacy requirements while complying with the applicable legislation and codes.

9.3.2 POLICY STATEMENT:

A distributor will comply with the environmental requirements as defined in the Distribution System Code, Retail Settlement Code, Standard Supply Service Code, and the Distribution Rate Handbook.

9.3.3 GENERAL:

CHEC member distributors are committed to a cleaner, healthier environment. We resolve to conduct our business in an environmentally responsible way and are committed to leading the industry in minimizing the impact of its activities on the environment.

Key points to achieve this strategy are:

- Minimize waste by evaluating operations and ensuring they are as efficient as possible.
- Minimize toxic emissions through the selection and use of its fleet and the source of its power requirement.
- Actively promote recycling both internally and amongst its customers and suppliers.
- Meet or exceed all the environmental legislation that relates to the distributor.
- Measure its impact on the environment and set targets for ongoing improvement.

9.3.5 RESPONSIBILITIES:

Distributor management is responsible for ensuring this policy is implemented and adhered to by the employees of the distributor.



APPENDICES

REFERENCES:

- ***The Electricity Act, 1998*** – Service Ontario e-Laws, http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_98e15_e.htm
- ***Distribution System Code*** – The Ontario Energy Board, http://www.oeb.gov.on.ca/OEB/Documents/Regulatory/Distribution_System_Code.pdf
- ***Retail Settlement Code*** – The Ontario Energy Board, http://www.oeb.gov.on.ca/documents/cases/RP-1999-0032/code_231104.pdf
- ***Standard Supply Service Code*** – The Ontario Energy Board, http://www.oeb.gov.on.ca/documents/cases/EB-2004-0205/sssc/rpp_sssc_revised_20070917.pdf
- ***Electricity Distribution Rates Handbook*** – The Ontario Energy Board, <http://www.ontla.on.ca/library/repository/mon/11000/254984.pdf>
- ***Electricity Gas and Inspection Act*** – Government of Canada <http://laws-lois.justice.gc.ca/eng/acts/E-4/index.html>
- ***Market Rules*** – The Independent Electricity Market Operator http://www.ieso.ca/imoweb/pubs/marketRules/mr_marketRules.pdf
- ***Conditions of Service*** – The Distributor



GLOSSARY OF TERMS

"Business Day" means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario;

"Conditions of Service" means the document developed by the distributor in accordance with subsection 2.3 of the Distribution System Code, that describes the operating practices and connection rules for the distributor;

"Connection" means the process of installing and activating connection assets in order to distribute electricity;

"Connection Agreement" means an agreement entered into between a distributor and a person connected to its distribution system that delineates the conditions of the connection and delivery of electricity to or from that connection;

"Connection assets" means that portion of the distribution system used to connect a customer to the existing main distribution system, and consists of the assets between the point of connection on a distributors' main distribution system and the ownership Demarcation Point with that customer;

"Consumer" means a person who uses, for the person's own consumption, electricity that the person did not generate;

"Customer" means a person that has contracted for or intends to contract for connection of a building or an embedded generation facility. This includes developers of residential or commercial sub-divisions;

(**"Customer"**, **"Consumer"**, and **"SSS Customer"** will be understood herein as one and the same.)

"Disconnection" means a deactivation of connection assets, which results in cessation of distribution services to a consumer;

"Disconnection/Collection Trip" is a visit to a customer's premises by an employee or agent of the distributor to demand payment of an outstanding amount or to shut off or limit distribution of electricity of the customer failing payment.

"Distributor-Consolidated Billing" is when a retailer marketer who has signed contracts in the distributor service area and has opted for the distributor to do the billing and collection of the electricity commodity and all related non-competitive charges.

"Distribution System Code," means the code, approved by the Board, and in effect at the relevant time, which, among other things, establishes the obligations of a distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards of distribution systems;



“Distributor” means a person who owns or operates a distribution system;

“Electricity Charges” are:

- (a) charges that appear under the sub-headings “Electricity”, “Delivery”, “Regulatory Charges” and “Debt Retirement Charge” as described in Ontario Regulation 275/04 (Information on Invoices to Low-volume Consumers of Electricity) made under the Act, and all applicable taxes on those charges;
- (b) where applicable, charges prescribed by regulations under section 25.33 of the Electricity Act, 1998 and all applicable taxes on those charges; and
- (c) Board-approved late payment fees, specific service charges and such other charges and applicable taxes associated with the consumption of electricity as may be designated by the Board for purposes of this section but not including security deposits.

“Eligible Low-Income Customer” means:

- (a) a residential electricity customer who has a pre-tax household income at or below the pre-tax Low Income Cut-Off, according to Statistics Canada, plus 15%, taking into account family size and community size, as qualified by a Social Service Agency or Government Agency; or
- (b) a residential electricity customer who has been qualified for Emergency Financial Assistance;

“Emergency Financial Assistance” means any Board-approved emergency financial assistance program made available by a distributor to eligible low-income residential customers.

“Errors and Omissions Excepted” the distributor shall reserve the right to make adjustments to any bill issued in error either in whole or in part.

“General Service Customer” – any customer who is not deemed to be a residential customer.

“Holiday” means a Saturday, Sunday, statutory holiday, or any day as defined in the Province of Ontario as a legal holiday;

“Late Payment Charge” is an OEB approved interest charge that is applied after a specified date or a due date on a customer’s bill.

“Licensed Competitive Retailer” is a distributor that has a valid electricity retailer’s license from the Ontario Energy Board.

“Load Control Device” means a load limiter, timed load interrupter or similar device that limits or interrupts normal electricity service.



“Load Limiter Device” means a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset.

“Non-Competitive Charges” is made up of the Wholesale Market Service charge, the Debt Retirement charge, Transmission Connection charge, Transmission Network charge and Distribution charges.

“Non-Payment Risk Mitigation” the distributor may use any risk mitigation options available to manage consumer non-payment risk.

“Rate Handbook” means the document approved by the Board that outlines the regulatory mechanisms that will be applied in the setting of distributor rates;

“Residential Customer” - the following customers shall be deemed to be residential customers:

- seasonal customers who are not classified as general service customers; and
- customers of a distributor with a farm rate class who have farms with a dwelling that is occupied as a residence continuously for at least 8 months of the year, where the customer has a < 50 kW demand.

“Retail Customer” means a person that has contracted with a company who retails electricity.

“Retail Settlement Code” means the code approved by the Board and in effect at the relevant time, which, among other things, establishes a distributors’ obligations and responsibilities associated with financial settlement among retailers and customers and provides for tracking and facilitating customer transfers among competitive retailers;

“Retailer” means a person who retails electricity;

“Reconnection” is when a property or premise has electrical service energized or re-established by the distributor.

“Security Deposit” is an amount collected by the distributor and is held by the distributor to ensure that all monies owed to the distributor are collected at the time of the final billing. Interest payments will be applied at least annually on all cash deposits.

“Standard Supply Service Code” means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the manner in which a distributor must provide standard supply service to meet its obligation to sell electricity under section 29 of the Electricity Act or to give effect to rates determined by the Board under section 79.16 of the Act.

“Social Service Agency or Government Agency” means:



- (a) a social service agency or government agency that partners with a given distributor to assess eligibility for Emergency Financial Assistance; or
- (b) a social service agency or government agency that assesses eligibility for other energy financial assistance or low-income financial assistance programs, and partners with a given distributor to qualify customers for eligibility under these policies.

“Standard Service Supply Customer” is a company or person who purchases electricity at spot market price or statutory pricing from a distributor’s distribution system as a direct pass through from the IMO.

“Timed Load Interrupter Device” means a device that will completely interrupt the customer’s electricity intermittently for periods of time and allows full load capacity outside of the time periods that the electricity is interrupted.