

1 New Brunswick Board of Commissioners of Public Utilities

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5 In the Hearing of an application by NBP Distribution and
6 Customer Service Corporation (DISCO) for approval of a charge
7 to its Charges, Rates and Tolls - Customer Service Policies

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10 Delta Hotel, Fredericton, N.B.

11 December 5th 2006

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INDEX

Neil Larlee, Rock Marois and Lynn Arsenault
- Cross by Mr. Hyslop - page 158
- Cross by Ms. Desmond - page 204
Ms. McCaustlin - page 257
Ms. Drescher - page 260
Mr. Asimakos - page 270
A-6 - Undertaking number 1, Monday December 4, 2006
- page 148
A-7 - Undertaking dated Monday, December 4, 2006, undertaking
number 2 - page 148
A-8 - Undertaking dated Monday, December 4, 2006. Undertaking
number 4 - page 148
A-9 - Undertaking dated Monday, December 4, 2006, undertaking
number 5 - page 148
A-10 - Undertaking dated December 4, 2006, undertaking number
6 - page 148
Undertakings
page 158 - index
page 167 - old policy
page 173 - last three bill inserts that you have done
regarding security deposits
page 195 - pro-forma contract
page 219 - who was in focus group
page 231 - conversion re performance
page 233 - information on each target and your actual
performance in relation to the target

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14 CHAIRMAN: David S. Nelson

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17 COMMISSIONERS: Randy Bell
18 Diana Ferguson Sonier
19 Patricia LeBlanc-Bird
20 H. Brian Tingley

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22 BOARD COUNSEL: Ellen Desmond

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24 BOARD STAFF: John Lawton
25 Doug Goss

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27 BOARD SECRETARY: Lorraine Légère

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30 CHAIRMAN: Good morning. In the matter of an application

31 dated March 21st, 2005, the New Brunswick Power

32 Distribution and Customer Service Corporation for approval

33 of charges -- change in its charges, rates and tolls,

34 customer service policies portion of the hearing.

35 Could we have appearances, please?

36 MR. MORRISON: Good morning, Mr. Chair, Commissioners.

37 Terry Morrison on behalf of the Applicant and with me at

38 the counsel table is Lori Clark and Mike Gorman and of

2 course our Panel is here.

3 CHAIRMAN: Vibrant Communities?

4 MR. PEACOCK: Good morning, Mr. Chair. Kurt Peacock here.

5 CHAIRMAN: Municipal Utilities?

6 MR. YOUNG: Good morning, Mr. Chairman, Commissioners. Dana
7 Young, Dan Dionne, Marta Kelly.

8 CHAIRMAN: Public Intervenor?

9 MR. HYSLOP: Good morning, Mr. Chair. Peter Hyslop with Mr.
10 O'Rourke, Ms. Power and Mr. Hegler.

11 CHAIRMAN: Board Staff.

12 MS. DESMOND: Ellen Desmond, Mr. Chairman, and with me is
13 Doug Goss and John Lawton.

14 CHAIRMAN: Are there any preliminary matters?

15 MR. MORRISON: Yes, Mr. Chairman. A number of undertaking
16 responses that we should have marked. Copies have been
17 given to the Board Secretary.

18 CHAIRMAN: Undertaking dated Monday, December 4, 2006.

19 Undertaking number 1 will be marked as A-6. Undertaking
20 dated Monday, December 4, 2006, undertaking number 2 will
21 be dated A-7. Undertaking dated Monday, December 4, 2006.

22 Undertaking number 4 will be dated A-8. Undertaking
23 dated Monday, December 4, 2006. Undertaking number 5 will
24 be marked as A-9. Undertaking dated December 4, 2006.

25 Undertaking number 6 will be dated as A-10.

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MR. MORRISON: Mr. Chairman, I believe that's all the undertakings except undertaking number 3 which was in relation to inserts that went out to customers on customer service issues, and that's being photocopied, so that should be ready at the break or shortly thereafter.

CHAIRMAN: Thank you, Mr. Morrison. Are there any other preliminary matters?

MR. HYSLOP: Yes, Mr. Chair. A couple arising out of yesterday. First of all there was some discussion yesterday and the Board ruled that if I wanted to provide comparative information from other jurisdictions it was up to me, which is fine, I accept that ruling. I would like some time to do it and what I would propose doing is completing a further document book which would be similar to the document that has been marked for the record as ID-2. And in that document book I would propose to review the same policy issues, deposit, connections, disconnects and refusal to provide service, a complaint procedure and a filing procedure, for the Canadian jurisdictions which have not been covered. This would include Newfoundland, Prince Edward Island, Saskatchewan, Alberta and British Columbia.

I have spoken to Mr. Hegler and he is going to work on it very quickly and we believe the longest it would take

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would be a week from Friday to file that with the Board. It would -- we think we can do it faster. Our sources of information are exclusively -- have been up to now been exclusively websites. We are anticipating that those websites would be available in these jurisdictions at least to the same extent that they are in the ones that we looked at.

But we think it would be very useful for the Board to have the ability to look at NB Power's policies and procedures as it relates to customer services. There seems to be some issue as to where New Brunswick stands vis-a-vis other jurisdictions in Canada.

We have made some opinions known as we are going along, we are trying to build a case, and we would request until a week from Friday to file that document. And certainly we are going to make every effort to hopefully have it early next week, but we just don't -- I like to give myself enough time that if I had to write or have stuff faxed from a utility board or something like that to get it done. If it's all on the website we should have it early next week. We would like to have the Board's approval to have a filing at that late date for that purpose.

The other issue that I want to speak to, I was

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provided about an hour ago the document which has been now entered as A-10. And that is some of the procedural manual stuff that is used by NB Power.

For the record, Mr. Morrison most graciously provided me a complete list and table of contents of all the procedures, and he indicated there was around 40. I don't know how many we selected. I am going to say it's approximately a third of the total ones. And I thank him for them.

Two issues arise and I'm going to ask that he file the table of contents in case the Board members may want to look at some other ones. And the second thing is I would like to have some time after the cross-examination this morning to review these in case I have further cross-examination arising out of them. I estimate it would take a couple of hours to do it properly and look at it and make the analysis I need. I haven't had a chance to fully review them.

So those are the two issues that the Public Intervenor has with regard to matters that have gone on before.

Thank you.

MR. MORRISON: Mr. Chairman, I have no quarrel with the second issue brought up by Mr. Hyslop with respect to the procedural -- procedures that we provided him and were

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- 152 -

2 filed this morning.

3 I do have a problem with Mr. Hyslop's proposal to file
4 this comparison. You will recall yesterday I objected to
5 that document going on the record. The Board agreed with
6 me, saying it wouldn't go on the record. Mr. Hyslop then
7 tried to get an undertaking later in the day that we
8 undertake to do this analysis or comparison. We refused
9 to do that and you will recall that my response -- I think
10 that Mr. Hyslop said yesterday that, well if you will
11 agree to allowing my document to go on the record then I
12 won't ask for the undertaking. And my response was, I'm
13 certainly not going to be blackmailed into doing something
14 that the Board has already ruled on.

15 The Board has already ruled on this issue. Mr. Hyslop is
16 trying to introduce new evidence. I have objected to it.

17 The Board has ruled on it. The Board ruling yesterday
18 afternoon was that if Mr. Hyslop wanted to conduct that
19 analysis and get that information on his own, he could.
20 It didn't say that it was going to be filed. If the Board
21 rules that it is going to accept that as evidence then I'm
22 going to reserve the right to come back here and cross-
23 examine on it.

24 CHAIRMAN: Mr. Hyslop, do you want to expand on that -- on
25 the ID number 2? Do you want to take -- do you want to

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expand more information?

MR. HYSLOP: No, I don't want to expand more information, but -- on this. The way I understood the Board there is ways of getting stuff on the record. Let's look at what the issue before this Board is, and let's have I think a good understanding of the way we as the Public Intervenor feel the public interest -- how this ties into the issue.

The issue is we are examining New Brunswick's customer service policies. And it is our view that, based on the examination that we have done of the various jurisdictions in ID-2, that, you know, if you have a scale of one to ten where it's very favourable to the consumer is ten and very favourable to the utility is zero, we are down on the zero range. At least when I look at these different jurisdictions.

And I have asked questions and I have asked questions yesterday along the lines of are you aware that in this jurisdiction such and such occurs. You know, I don't think I had this open once yesterday to show them.

But I think it's important at the end of the day in this hearing, this Board is going to have to rule that New Brunswick's customer service policies are certainly in the mainstream and there is not much adjustment to be made. They are going to -- may rule, as Mr. Marois has been

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2 arguing in cross-examination, we are a government owned
3 utility with a long history of doing things, and the way
4 we do things here in New Brunswick makes sense. And the
5 Board may agree with that, or the Board may agree with my
6 proposition that we are really out of whack when it comes
7 to the mainstream thinking of customer service policies in
8 North America.

9 And the only way this Board at the end of the day is going
10 to be able to make that ruling and that judgment is to
11 have some idea of what those other jurisdictions are doing
12 in terms of customer service policies.

13 I have attempted with this document -- and again this is
14 not any more than it is as I think a very sincere attempt
15 on my part and the part of Mr. Hegler and my staff, with
16 fairly limited resources, to make an analytical
17 jurisdictional comparison of these policies.

18 Yesterday I asked my friend in cross-examination, and they
19 have got lots of resources, they have got two rows of
20 people and three on the stand -- I asked them as part of
21 this record, would you complete this comparison? Show me
22 where your customer service policies stack up. And the
23 Board ruled that if I wanted to do that I could. And I
24 have done it. I am taking you up on your offer I will do
25 it for the other provinces.

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2 And at the end of the day, you know, where you come down
3 on this is up to you. I am going to argue one side of the
4 case, I'm sure my colleague and the panel will argue very
5 strongly in view of the nature of New Brunswick, it's
6 possible that we are doing it just about right for this
7 jurisdiction given the nature of the ownership, given the
8 nature of the way things get solved. It's working. And
9 if that's so, I will live with that decision but I think
10 quite clearly this Board should take the time to find out
11 what is going on in other provinces.

12 And if I want to get that on the record through cross-
13 examination, I think it was a fair question. I will live
14 with your ruling. You said to me, Mr. Hyslop, do you want
15 to do that analysis. Mr. Morrison seems to suggest it
16 wouldn't go on the record. I took your statement to me is
17 if you want to do the analysis and file it, you can.

18 It is a fair amount of work and I don't mind doing the
19 work. I am just asking the time to do it. Thank you.

20 MR. MORRISON: Mr. Chairman, a couple of points. It seems
21 that Mr. Hyslop is putting forth the proposition that NB
22 Power is ranking at a zero end of the range as compared to
23 other jurisdictions. That in and of itself requires the
24 formation of a qualitative or opinion based analysis.
25 Clearly DISCO does not agree with Mr. Hyslop's
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assertions. There is no evidence to them. He is trying to do through the back door what this Board has ruled he can't do through the front door. It is inappropriate. And as I said, if the Board reverses what I consider would be a reversal of its ruling yesterday, that is fine. I am a big boy. I can live with the ruling. But on that issue I would ask that I will want to cross-examine whoever authors this comparison. And I will want to make submissions on it. Thank you.

CHAIRMAN: I think we will take a 10 minute break here and come back.

MR. HYSLOP: Thank you, Mr. Chair.

(Recess - 9:45 a.m. - 10:50 a.m.)

CHAIRMAN: Mr. Hyslop has requested the opportunity to file additional information on customer service policies from various Canadian jurisdictions, primarily to provide an evaluation of DISCO's policies, ie. a score card. Mr. Morrison has objected to this request and has submitted that if the Board provides Mr. Hyslop with this opportunity, DISCO would reserve the right to cross-examine on this document and file submissions. It is useful to note that yesterday Mr. Hyslop wanted to file information of a factual nature on customer service policies in other jurisdictions, not exclusively

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Canadian, and have it marked as an exhibit. Mr. Hyslop noted that despite its title, this document was not in effect in fact an analysis.

After hearing argument from both sides, the Board decided to mark the document for identification only. Later in the day Mr. Hyslop requested an undertaking from DISCO to provide further information on customer service policies for certain provincial jurisdictions.

With respect to this request, the Board noted that this information that Mr. Hyslop could have obtained himself, meaning this information was not exclusive to DISCO and is not information specific to their files.

The rules and regulations followed by utilities in other jurisdictions is information that is available and can be accessed by the Board. However, an analysis of such practices is not publicly available.

The Board believes that such analysis would only be significant value with an expert opinion as to the merits of this particular rules or regulations. This expert opinion should also be subject to cross-examination in order to be relied upon by this Board.

The Board established a schedule that allowed for the introduction of evidence by intervenors. The Public Intervenor chose not to take advantage of this

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2 opportunity. The Board considers that it would not be
3 appropriate to allow the Public Intervenor to introduce
4 evidence at this late date.

5 With respect to Mr. Hyslop's request for an index to be
6 provided by DISCO and for some time to review such an
7 index, the Board notes that DISCO did not object. The
8 Board is prepared to accommodate this request.

9 Mr. Hyslop, are you prepared to continue cross-examination
10 at this time and then the Board will recess for review?

11 Or do you prefer to recess now?

12 MR. HYSLOP: I have the Board's ruling and the Board has
13 ruled. I am prepared to go on with cross-examination that
14 I have left. What I would suggest is perhaps over the
15 lunch hour I can look at these and if I have a little more
16 cross-examination I can come back at that time.

17 CHAIRMAN: Okay. Thank you.

18 MR. HYSLOP: I will do my best to have a hard look at it
19 over lunch and early afternoon. But I have got some
20 cross-examination I can do at this time and go from there.

21 CHAIRMAN: Okay. Thank you. So do you want to carry on?

22 MR. HYSLOP: Good morning, panel.

23 Q.292 - Just very briefly I refer to exhibit A-7 which was
24 filed this morning. And this was a response to an
25 undertaking where I asked that a copy of the letter be
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2 provided relating to the legitimate economic needs

3 qualification to policy relating to no disconnects.

4 I believe this letter arose out of a conversation with
5 regard to reference -- or referencing the receiver of it
6 to go to Family & Community Services. And unless I am
7 missing something, you would agree that that particular
8 reference is not contained in this letter?

9 MS. ARSENAULT: I would like to state that that is correct,
10 it is not in the letter.

11 Q.293 - Thank you.

12 MS. ARSENAULT: But I would like to state that the reason it
13 is not in the letter is that this letter is generic in the
14 sense that Family & Community Services has eight different
15 1-800 numbers because of their eight different regions
16 that they have within the province. So therefore it would
17 be difficult for us to identify each of those 1-800
18 numbers in the letter.

19 So in the paragraph that reads NB Power will respect the
20 no disconnect policy in effect from November 1st to March
21 31st for those customers who have demonstrated to be in
22 legitimate economic needs. When the conversation happens
23 with the customer and the customer has demonstrated to us
24 or provides information to us that they are having
25 financial difficulty, that is where we offer to

2 have them contact the Family & Community Services 1-800 in
3 their area.

4 I would like to add as well that some of our customers may
5 take offence for us to refer them to Family & Community
6 Services. So we make sure that it is volunteered by the
7 customer that they are having financial difficulty.

8 As well I would like to mention that this letter was
9 reviewed by Department of Energy before we made the final
10 change.

11 Q.294 - Thank you. So I don't want to beat it to death.

12 Would it be possible rather than containing in a letter
13 the policy relating to legitimate economic needs be put on
14 a separate piece of paper and attached to the Dunning
15 letter at an early stage in the collection procedure,
16 saying, in the event you have difficulty paying because of
17 your financial position this is policy -- this is the
18 policy of NB Power. And you explain legitimate economic
19 needs, you indicate how they can prove legitimate economic
20 needs and you provide a listing of the eight numbers for
21 the eight regions of social services.

22 Is there some reason that may or may not be an appropriate
23 alternative to this letter that goes out for the third
24 collection letter?

2 MR. MAROIS: These are a good suggestion, Mr. Hyslop, but I
3 think it's a bit of micro-management in how we operate the
4 business. And what I can undertake is continue our
5 discussions with the province, both Department of Energy
6 and Department of Family & Community Services, to see if
7 we can improve the process.

8 Q.295 - You wouldn't welcome the involvement of the Public
9 Intervenor in determining the appropriate procedure to be
10 followed with regard to this issue, Mr. Marois? Could I
11 be party to that conversation to see how this should be
12 done?

13 MR. MAROIS: I don't think so.

14 Q.296 - That says a lot. Thank you. A couple of points out
15 of yesterday. Mr. Larlee, you -- I think when we were
16 discussing Board jurisdiction, you indicated to me the
17 rates, charges and tolls that are charged by NB Power for
18 its various services, they have the jurisdiction of this
19 Board. They have to be approved by the Board Commissioner
20 of Public Utilities, is that correct?

21 MR. LARLEE: Subject to the Electricity Act, yes.

22 Q.297 - Okay. Well that's the provisions under the
23 Electricity Act. And we indicated -- we were discussing
24 for example that -- why things that weren't rates, charges
25 and tolls are not subject to the customer service

2 policies. And I think you indicated that sometimes there is
3 some blurring of the two, so you felt it was useful to
4 keep all things together, is that correct?

5 MR. LARLEE: Well if you are referring to the RSP manual
6 containing both rate schedules and policies, I guess it's
7 both a question of tradition, in that that's what NB Power
8 has done for many, many years. And the fact that we
9 included what would be considered the tariff provisions of
10 the rate -- of application to the rates in with the rate
11 schedules. In effect, those have been traditionally
12 considered policy and then included all other policies as
13 well, bill payment and so forth, in one document.

14 Q.298 - Now I was flipping through the book last night and
15 once in a while I came across some wording that I just
16 tried to find out whether this would be part of the rate,
17 charges and tolls or whether it's part of the customer
18 service policy. And I had a couple I was going to ask
19 you.

20 And I'm referring to item H, extension of facility's
21 overhead. And this is just an example, and on page 1 of
22 that under RSP H-1 under the bullet Other Rights of Way,
23 it says, if tree and brush clearing is performed by NB
24 Power, the customer is charged. These charges are non-
25 refundable. Do you read that, Mr. Larlee?

2 MR. LARLEE: Yes, I see that.

3 Q.299 - Yes. Now is there a set rate that NB Power charges
4 for tree and brush clearing in the tariff?

5 MR. LARLEE: No, there isn't. What we would do in any of
6 these cases and actually any case where a customer
7 requires a service that goes above and beyond our standard
8 services or standard facilities, we charge to recover our
9 cost. So in this case we would recover the cost that we
10 incur to clear the brush that is not on designated right-
11 of-way.

12 Q.300 - And the -- would the amount of those charges be
13 discussed with the client before the work was completed?

14 MR. LARLEE: Yes. And in all likelihood there would be an
15 estimate provided.

16 Q.301 - And again going back and not wanting to make a lot out
17 of it, but those charges again, if they weren't acceptable
18 to the client, he can either do it himself or not have the
19 work done, correct, if he didn't like your estimate?

20 MR. LARLEE: That's correct. And in this particular case
21 the client has the option to do the work himself or have
22 it done by a contractor.

23 Q.302 - Sure. Let's go on to another one. Looking under tab
24 I and RSP I-2. This kind of goes back to the one Mr. -- I
25 went to a good lawyer last night there on the problem Mr.

2 Marois and I had yesterday on the new subdivision. And

3 looking at the -- on the RSP I-2 under optional

4 underground facilities to charge.

5 The optional underground facility charges recovers the

6 difference in construction costs between what NB Power

7 normally supplies and what the customer request isn't

8 provided. Do you read that, Mr. Larlee?

9 MR. LARLEE: Yes, I see that.

10 Q.303 - Yes. And as we recall yesterday when Mr. Marois and I

11 couldn't reach agreement on what these charges were, I

12 think at the end of the day he said I could either do the

13 work or not do the work.

14 But I'm wondering if the utility has jurisdiction over the

15 rates, charges and tolls, which you agreed with me that

16 they do, why wouldn't they have jurisdiction over

17 arbitrating what the charges should be for the optional

18 underground facilities that are referred to in RSP I-2?

19 MR. MORRISON: Mr. Chairman, that is clearly a legal issue

20 and this witness isn't competent to answer that question.

21 CHAIRMAN: Do you want to repeat your question again, Mr.

22 Hyslop?

23 Q.304 - Yes. What I was saying is you have told me that the

24 utility has jurisdiction over rates, charges and tolls --

25 or the Board, I'm sorry, not the utility, I apologize --

2 and this item I have just referred you to says there is an
3 optional underground facility charge, and it recovers the
4 differences in costs.

5 Now my problem yesterday with Mr. Marois is we couldn't
6 reach an agreement as to that. And I went to a good
7 lawyer last night and he said, well look, if the Board has
8 jurisdiction over the rates, charges and tolls, and Mr.
9 Marois and I can't agree, I should be able to ask the
10 Board to tell me -- or determine between the two of us
11 what the optional underground facilities charge.

12 Wouldn't you agree that those charges would be subject to
13 the jurisdiction of this Board, Mr. Larlee?

14 MR. MORRISON: Clearly a legal argument. This witness is
15 not -- and I'm happy to address that issue in final
16 argument. I don't think Mr. Larlee is competent to be
17 giving a legal argument.

18 Q.305 - Would you undertake to obtain an opinion from your
19 counsel as to why the word charge has a different meaning
20 in the section of RSP I-2 that I have just cited to you
21 and the meaning of the word rate, charges and tolls in
22 section 101 of the Electricity Act?

23 MR. MORRISON: We won't give that undertaking, Mr. Chairman.

24 MR. HYSLOP: Could I ask that they do so?

25 MR. MORRISON: I am prepared to address it in final

2 argument.

3 CHAIRMAN: After a quick -- I am trying to avoid the break
4 how is that, okay? You know --

5 MR. HYSLOP: I don't mean to force these type of delays, Mr.
6 Chairman, so --

7 CHAIRMAN: And I am trying, you know, as everybody knows, I
8 kind of try to expediate things to the best of my ability.
9 The Panel feels it's beyond Mr. Larlee's scope. And that
10 you can address that in final argument.

11 MR. HYSLOP: Thank you, Mr. Chair.

12 Q.306 - I want to go on and talk about the security deposits
13 in your policies with respect to that. And I understand
14 that this is completely set out in Section E of the RSP
15 manual, Mr. Larlee?

16 MR. LARLEE: Yes. Security deposit policy is in RSP --
17 starting at RSP E-1.

18 Q.307 - Right. And as I understand it as of April 1st 1998, a
19 policy change was made so you identified who was not
20 required to provide a deposit?

21 MR. LARLEE: Yes. The policy was reworded.

22 Q.308 - Right. And before that, would I be correct in stating
23 that the policy stated who was required to provide a
24 deposit?

25 MR. LARLEE: Give me two seconds and I will confirm that.

2 Q.309 - Sure.

3 MR. LARLEE: I am having to go back a little farther in
4 time --

5 Q.310 - I can continue if you want to take as an undertaking
6 to check it during a break, Mr. Larlee, if that would be
7 easier?

8 MR. LARLEE: Well now that I have invested this much time in
9 it, another 30 seconds --

10 Q.311 - You go right to it.

11 A. Yes, that's correct, as it applies to the residential
12 class.

13 Q.312 - And could I ask you maybe at some stage to photocopy
14 the old policy and provide it as an undertaking for us?

15 MR. LARLEE: Yes, we can provide that.

16 Q.313 - Sure. Thanks. And as I read this policy, it being in
17 the negative, anybody who didn't meet the two criteria
18 under Section E would be required to provide a security
19 deposit, correct?

20 MR. LARLEE: Yes, that's correct.

21 Q.314 - Right. And the two criteria under Section E, you
22 wouldn't require a security deposit from anybody who has a
23 satisfactory payment history from NB Power, correct?

24 MR. LARLEE: Yes, that's correct.

25 Q.315 - Right. And you wouldn't require a security deposit

2 from anybody -- you are going to get to the one I am getting
3 to. So let's get right to it. E says what it says,
4 correct? And the second is who can supply a credit
5 reference from another electric utility, correct?

6 MS. ARSENAULT: So your second -- who supplies a credit
7 reference from another electric utility?

8 Q.316 - Yes.

9 MS. ARSENAULT: That is correct. As well there is another
10 --

11 Q.317 - No. I am just talking about what's in the RSP manual
12 right now, Ms. Arsenault.

13 MS. ARSENAULT: Okay.

14 Q.318 - Okay. Thank you. Now if I read this as a consumer, I
15 would understand I might be required to provide -- no, I
16 would be required to provide a security deposit unless I
17 fell into one of those two categories, correct? Just
18 reading this manual.

19 MR. LARLEE: That's correct. But we --

20 Q.319 - Thank you.

21 MR. LARLEE: -- we also do supply the customers with one
22 other option. And that is if they consent, then we would
23 do a credit check. And depending on the outcome of that
24 credit check, they would be exempt from requiring a
25 security deposit.

2 Q.320 - And how would a customer know that, Mr. Larlee? Which
3 piece of information, as part of your manual, your
4 website, your published information, any of your customer
5 friendly information that you may give a new customer, how
6 would they know that?

7 MS. ARSENAULT: When they call us up to require service,
8 that's where we would make them aware of that option.

9 Q.321 - Why wouldn't you put it in the policy manual?

10 MR. LARLEE: Well in this case, I am not sure when we began
11 this particular procedure offering this option to the
12 customer. But we are basically expanding -- expanding the
13 options.

14 I think now that I am aware of it, I will make note of it.

15 This is a perfect example of where we are basically
16 expanding our service. And the next time that we do
17 revisions to the manual, we will endeavour to include it
18 so that it's clearly written down.

19 Q.322 - Ms. Arsenault, can you tell me how long this extra
20 option has been available to customers?

21 MS. ARSENAULT: Subject to check, I think it's either late
22 90s or early 2000.

23 Q.323 - So five or six years since you have been giving this
24 option to customers?

25 MS. ARSENAULT: Subject to check.

2 Q.324 - You make a change like that, how does it work at NB
3 Power that it -- you know, that it doesn't get to Mr. Larlee
4 so he can update his book? Why would it take five or six
5 years for this information to get passed along to the
6 gentleman that's in charge of keeping the rules that you have
7 with your customers up-to-date and in a published manner?
8 Can you give me any explanation? I don't mean to be -- it
9 may have just been an oversight and I will accept that. But
10 can I get some explanation for that?at?

11 MR. LARLEE: Well if we were to look at the opposite case.
12 Let's say there was a recommendation for whatever reason
13 that a credit reference from another electric facility was
14 no longer going to be adequate and Ms. Arsenault's group
15 was making a recommendation that we remove that option.
16 Then there is no question that before that could be done,
17 the RSP manual would have to be changed and published to
18 reflect that because we would be essentially limiting the
19 options to customers.
20 But when we are expanding the options, let's say we are
21 less diligent, because we are providing more service.
22 It's in a sense, what's happening here is -- what we are
23 documenting is the absolute minimum.
24 So I mean, I agree with you, we want to make the manual as
25 clear and precise as possible. But when it's

2 the case of expanding service, there is perhaps less
3 diligence.

4 Q.325 - Thank you. I recently -- my daughter moved out,
5 wanted to establish an account. And if I was to guarantee
6 her account -- and I had I think a satisfactory payment
7 history with utilities, in that case would she be eligible
8 to be exempted from paying a damage deposit -- a security
9 deposit?

10 MS. ARSENAULT: In the situation that you have put the
11 scenario through, yourself would need to be on the bill as
12 an alternate payer to demonstrate that you have
13 responsibility on that bill.

14 Q.326 - And is that provided for as an exception for a
15 security deposit in your RSP manual? Does it say security
16 deposit is not required if you can have somebody who has
17 satisfactory payment history provide a guarantee?

18 MR. MAROIS: Under the scenario that you have just
19 described, you would fall under the first category of
20 having your name on the bill, then you would have
21 satisfactory payment history.

22 Q.327 - But where does it tell my daughter that? Where does
23 it tell my daughter that she can go and get her dad to
24 sign onto the bill with her?

25 MR. MAROIS: That's not something that we communicate. One

2 thing I just want to be clear --

3 Q.328 - Well no --

4 MR. MAROIS: Let me --

5 Q.329 - No, no. I want an answer to my question.

6 MR. MAROIS: Let me --

7 Q.330 - Go ahead then, Mr. Marois.

8 MR. MAROIS: No utility that I know of would communicate a
9 binder like this to their residential customers. What is
10 communicated to residential customers is always condensed
11 information, either on the back of a bill or through a
12 bill insert or through a bill message.
13 So the information is typically condensed rather than
14 expanded upon because no residential customers will ever
15 want to look at a binder like this. So I think that's why
16 verbal communication is important when somebody calls the
17 website, our billing service, our bill messages, and
18 that's really how the bulk of the customers get the
19 information. Only the largest of customers would ever go
20 through the actual RSP manual.

21 Q.331 - Would you be good enough to send me and provide copies
22 to this Board the last three bill inserts that you have
23 done regarding security deposits, Mr. Marois?

24 MR. MAROIS: I think there is going to be some in the top
25 ten you asked for yesterday.

2 Q.332 - I'm asking the last three in reference just to
3 security deposits.

4 MR. MAROIS: Well we will see what we have provided anyway.

5 Q.333 - Thank you. I was wondering, and I will get to it a
6 little more, but in some jurisdictions a letter from a
7 banker indicating that a person has maintained
8 satisfactory banking relations which -- and I guess in
9 bank lingo it means that they haven't bounced a cheque in
10 the last little while -- so if I had satisfactory banking
11 arrangements for a period of two years, would a letter
12 from the bank not satisfy NB Power as to its credit
13 worthiness under the existing policies?

14 MS. ARSENAULT: That particular option is not something that
15 we offer right now. What we have heard from our customers
16 is that providing a letter from a utility that they have
17 had credit with is sufficient. As well the option of
18 doing a credit check, which is a free service. The
19 customer does not need to pay for that and it's something
20 we get back fairly quickly, to tell the customer if there
21 is a security deposit going to be required or not.

22 Q.334 - So the answer to my question is no, a letter from a
23 bank stating I have had satisfactory banking arrangements
24 for two years, wouldn't qualify me to be exempted from the
25 security deposit?

2 MS. ARSENAULT: That is correct.

3 Q.335 - Thank you. When I read through the policy and looked
4 at the return of the deposit, it indicated -- and I won't
5 cite it, but it indicated that returns of the deposits are
6 reviewed periodically.

7 I was wondering, can you provide me a little more detail
8 on the word periodically, when people can expect to get
9 their damage deposit back, how often you review it, when
10 you review it? Do you have any information you can assist
11 me with here that is in the manual or any other place?

12 I apologize. I keep calling it a damage deposit. I
13 understand it's a security deposit.

14 MS. ARSENAULT: Residential security deposits are reviewed
15 at the end of the twelfth month, and then it's based on
16 the payment behaviour of the customer, depending on their
17 credit risk with us. The security deposit is refunded
18 automatically on their next bill.

19 And if by chance they do move out before the 12 months,
20 the security deposit is applied to the final bill along
21 with interest. And I'm citing that in the last paragraph
22 in section E-2, and it's the sentence that starts with
23 residential customers, customer deposits are reviewed 12
24 months after a deposit is made.

2 Q.336 - Okay. And at that time do you have the conditions of
3 when or what would cause it? Is it just a satisfactory
4 payment history that counts at that time, Ms. Arsenault?

5 MS. ARSENAULT: Yes, that is correct.

6 Q.337 - Are you aware of any other jurisdictions that the
7 requirement for a security deposit is set in the negative?

8 MS. ARSENAULT: Can you repeat the question, please?

9 Q.338 - Well I'm saying I found it -- when I looked at other
10 jurisdictions, I found that the security deposit was
11 usually described, and this is when it would be required,
12 and NB Power seems to be unique in saying when it's not
13 required. And I'm just wondering if you modelled this on
14 some other jurisdictions, how it came about to be this
15 way?

16 MS. ARSENAULT: I'm sorry, I don't know when it became that
17 way.

18 Q.339 - And you don't know the basis of how it came to be that
19 way.

20 MR. LARLEE: Well my recollection is the basis is simply a
21 question of clarity, an attempt to state the policy in as
22 clear a language as possible.

23 Q.340 - I was wondering if you were aware that in the Province
24 of Quebec the provision for a security deposit for
25 electricity consumers, residential, may require a cash
26

2 deposit or a guarantee of payment from a customer who in the
3 24 months preceding the request for deposit or guarantee
4 has availed himself of the provisions of the Bankruptcy
5 Act or received an overdue notice stipulated in 96(2),
6 advising him of the possibility of an interruption of
7 service, and that's only time when a security deposit may
8 be requested. Are you aware of that?

9 MR. MAROIS: No.

10 Q.341 - Thank you. Are you aware that in Nova Scotia
11 customers that receive social assistance or other similar
12 types of income security payments shall not be required to
13 make deposits unless they have a history of bad credit
14 relationship with the company?

15 MR. MAROIS: No.

16 Q.342 - Are you aware that in the State of Maine the law
17 provides no public utility may require any deposit of a
18 residential customer without proof that the customer is
19 likely to be a credit risk or damage property of the
20 utility?

21 The proof shall be furnished to the customer on request.
22 Absence of previous experience with the utility shall not
23 be proof that the customer is a credit risk or threatens
24 to deposit the utility property -- threatens to damage
25 utility property. Sorry. Are you aware of that?

2 MR. MAROIS: No.

3 Q.343 - It also indicates in the State of Maine, absence of
4 previous experience with the utility shall not be proof
5 that the customer is a credit risk or threatens to damage
6 utility property.

7 MR. MAROIS: No.

8 Q.344 - My point is that it was seen in Maine that the benefit
9 of the doubt in terms of credit worthiness is given to the
10 customer, but in New Brunswick the benefit of the doubt of
11 credit worthiness is not in the customer's favour.

12 MR. MAROIS: Well you can look at every jurisdiction across
13 the world and every one will have a different wording. I
14 think what is important is that doing a proper credit
15 evaluation at the beginning of the relationship with the
16 customer is only part and part of the entering process.
17 And what we have discovered is the more diligent we are at
18 the beginning the better it is or the higher the
19 likelihood we will have to collect our money over time,
20 especially for example, when a customer leaves the system.
21 That entering process is critical. And I think it is
22 demonstrated in our level of bad debt that we manage quite
23 diligently. So yes, you can find different wording as you
24 wish, but especially -- like in New Brunswick they don't
25 need to pay a security deposit. I mean if you do have a

2 proper credit history, you demonstrate through experience with
3 another utility or through a credit check, you don't have
4 to pay one.

5 Q.345 - Now I heard what you just said, Mr. Marois, and what
6 you are really saying is, and I don't want to put words in
7 your mouth, but as part of good collection and receiving
8 policy of the utility, you believe it's important that you
9 do have some satisfaction of the credit worthiness of your
10 customer, correct?

11 MR. MAROIS: Yes.

12 Q.346 - Yes. And I respect that from a business perspective
13 and from the utility's perspective that that is one
14 position that you can take.

15 But my question is -- and I'm going to go back. You are
16 not running a car parts business here, you are running a
17 public utility. And there are different options available
18 to different customers in different areas because the
19 nature of being a public utility, sometimes you have to
20 take or give a little more on the consumer side.

21 Would you agree as a matter of philosophy that that's the
22 reason some jurisdictions may have different philosophy on
23 this issue?

24 MR. MAROIS: I come back to my comment I made yesterday.

2 The context is always important. I mean, if you go to each of
3 those jurisdictions that you cited, each one has their own
4 history. Their policies and rules evolve from years and
5 years of history of practices. So to comment as to why
6 such and such a rule is such and such a way, it's
7 impossible without understanding the context.

8 I think we might be missing an important point here. To
9 our knowledge security deposits it's not an issue from our
10 customers. I mean we listen to them. If there were other
11 alternatives that they would be asking for we would
12 consider introducing them, but what we have on the table
13 now appears to meet the needs of most customers.

14 Q.347 - You are saying it is prepared to work with the
15 customer to make arrangements on a security deposit, Mr.
16 Marois?

17 MR. MAROIS: My comment was on our policies in general.
18 That's why these things evolve. They are living
19 documents.

20 Q.348 - Just one more here because I alluded to it earlier.
21 In Vermont a customer can show proof of credit worthiness
22 with one of the following, a reference from a bank
23 indicating the applicant has had an active chequing
24 account for at least one year and has had no account that
25 has been overdrawn within that one year.

2 Would information like that from a customer, which is
3 usually easy for him to get from a bank, not be
4 satisfactory evidence of credit worthiness for you?

5 MR. MAROIS: Well we make it even easier for them because we
6 provide -- one of the options is a free credit check which
7 would pick up something like that. I mean all the
8 examples you are giving try to achieve the same thing. We
9 try to get some assurance that the customer will be paying
10 their bills. That's the only thing we are trying to do.

11 Q.349 - Again to answer my question, would you not agree with
12 me that that would be an easy way for a customer to
13 establish credit worthiness to the satisfaction of the
14 utility?

15 MR. MAROIS: You could probably dream up 20 options, but I
16 think that a credit check would pick up information on
17 that.

18 Q.350 - If I brought a letter from my bank that wouldn't be
19 enough then?

20 MR. MAROIS: I think I have answered your question.

21 Q.351 - No, I don't think you have answered the last one. It
22 wouldn't be enough if I brought a letter from my bank?

23 MR. MAROIS: I think we answered that it would not be
24 enough. You have the three options.

25 Q.352 - I will go on. I will go on.

2 MR. MAROIS: Please do.

3 Q.353 - Now the other thing was that -- with regard to
4 deposits, many jurisdictions they allow the deposits to be
5 paid over a three or four or two month period. Does NB
6 Power allow for the payment of a security deposit over the
7 first few months' billing?

8 MS. ARSENAULT: We first try to get the security deposit
9 before the service is rendered. In some cases we do try
10 to work with our customers in creating a mutually agreed
11 upon instalment plan of when the security deposit can be
12 paid. We actually in some cases do invoice the security
13 deposit on the first bill. And work with our customers to
14 make instalment plans on that.

15 Q.354 - And where is this provided for in the RSP manual
16 policies, Ms. Arsenault?

17 MS. ARSENAULT: It is not in the policy manual. It's a
18 discussion that happens with the customer upon the move-in
19 information or over the phone.

20 MR. HYSLOP: Could I have five minutes just before I go into
21 this next area, Mr. Chairman?

22 CHAIRMAN: Well it's 20 to 12 now. Do you want to break now
23 and come back at 1:00 o'clock?

24 MR. HYSLOP: We could do that too, and maybe I will have a
25 look through --

2 CHAIRMAN: Will that give you a chance to look through that
3 information?

4 MR. HYSLOP: Sure.

5 CHAIRMAN: So reconvene at 1:00 o'clock.

6 (Recess - 11:40 a.m. - 1:00 p.m.)

7 CHAIRMAN: Good afternoon. Is there any preliminary
8 matters?

9 MR. MORRISON: Just one from me, Mr. Chairman. This morning
10 in exhibit A-10 we provided the Board and other parties
11 with copies of several procedures. Two of the procedures
12 that were in, which is CS 38 and CS 39, were outdated,
13 they weren't the most recent ones.

14 So if you just want to change 38 and 39 in exhibit A-10, I
15 have provided the Public Intervenor with copies and the
16 Board secretary.

17 CHAIRMAN: Thank you. Is there any other preliminary
18 matters? Do you want to carry on, Mr. Hyslop.

19 MR. HYSLOP: Thank you very much, Mr. Chair. Good
20 afternoon, panel.

21 Q.355 - I would like to talk a little bit about disconnection
22 policy, if we could. And I understand there are several
23 reasons for disconnection, but when I ask the questions I
24 want it understood I'm just referring to disconnection for
25 non-payment, and that's the context of the questions.

2 And I understand that the basis for disconnection for non-
3 payment is found in the RSP manual under item M.

4 MR. LARLEE: Yes, that's correct.

5 Q.356 - Correct. And the first three paragraphs appear to be
6 the disconnection at the customer's request, correct?

7 MR. LARLEE: Yes, that's correct.

8 Q.357 - And then starting half way down the page where it says
9 disconnection of service initiated by NB Power, from that
10 point on to the end of the succeeding page, that deals
11 with the circumstances which NB Power would disconnect
12 service, correct?

13 MR. LARLEE: Yes, that's correct.

14 Q.358 - And am I to understand that with regard to the RSP
15 manual, this is the complete policy as it relates to
16 disconnection policies in the customer -- in regard to the
17 customer service portion?

18 MR. LARLEE: In the RSP manual you will notice if you look
19 at the paragraph with the bullets, the very last bullet,
20 customer does not meet any or more NB Power's requirements
21 for the provision of service.

22 Q.359 - Yes.

23 MR. LARLEE: So then you should really go to the provision
24 of service section, which I am going to have to -- section
25 D.

2 Q.360 - D as in --

3 MR. LARLEE: D as in dog.

4 Q.361 - Thank you.

5 MR. LARLEE: And then that details all the requirements for
6 provision of service.

7 Q.362 - Okay. So that would be the bullets outlined on the
8 bottom of section D essentially?

9 MR. LARLEE: Yes, that's correct.

10 Q.363 - Okay. Thank you. And the main one I want to focus
11 with would be the fifth bullet, which is non-payment of
12 accounts and arrears. And has any of this disconnection
13 service been revised or reviewed as a result of the
14 implementation of the Electricity Act in section 73?

15 MR. LARLEE: I will just take a quick look at 73, just to
16 confirm. Not to my knowledge, there is -- there was no
17 changes to our policy as a result of the enactment of the
18 Electricity Act.

19 Q.364 - Okay. Has there been any conscientious review to
20 compare the two to see if revisions might be required to
21 this point in time, Mr. Larlee? Or have you sat down and
22 really thought about it, I guess is what I'm asking?

23 MR. LARLEE: Well as a result of the implementation of the
24 Electricity Act, yes, we did look at the RSP manual in
25 quite a bit of detail and had a fair bit of discussion

2 about what changes were required. And as a result of those
3 discussions, there were some changes made to the manual.
4 None of them impacted the disconnection service policy.

5 Q.365 - Now as I understand it, when you reach a certain point
6 in time, you advise a customer that he is in danger of
7 being disconnected.

8 MR. LARLEE: Yes.

9 Q.366 - And I understand it's with the third letter that you
10 send out?

11 MS. ARSENAULT: That is correct.

12 Q.367 - And at that point in time if the customer were to call
13 in, would he be assigned a specific customer service
14 representative that would be responsible for any
15 negotiations or discussions thereafter?

16 MS. ARSENAULT: In contacting our 1-800 number, he would be
17 -- the individual would reach a customer service agent who
18 would definitely discuss the situation with the customer
19 and reach a mutually agreed upon instalment plan and to
20 understand the situation the customer is going through and
21 to get to appreciating what instalment plan would be
22 worthwhile for the customer and logging that on their
23 account, keeping track of what it is they are willing to
24 provide to pay on their account.

2 Q.368 - And my question is again if I was to call in a second
3 time, could I have some assurance that I might actually
4 speak to the same person the second time?

5 MS. ARSENAULT: I'm sorry. Could you repeat that for me,
6 please?

7 Q.369 - Sure. I apologize. I know you were discussing, but
8 my question is getting at trying to do arrangements and
9 dealing with people it's often helpful to deal with the
10 same person throughout the negotiations, if there is more
11 than one contact.

12 And my question is if someone is calling in because they
13 are having trouble with their account, does your policy
14 and your procedures cause one specific customer service
15 representative to become responsible for that person?

16 MS. ARSENAULT: Once a customer has made an instalment plan
17 with us and that customer calls back, we will attempt
18 therefore to make sure that he can talk to that same
19 individual again. If it gets to the point that we need to
20 schedule for disconnect because we are unable to reach an
21 agreement or we need to call the customer, if the customer
22 -- the individual that the customer will be talking to
23 will be the same if he were to call back.

24 Q.370 - Okay. So that's part of your procedure manual that

2 whoever has initial contact with the customer, that customer
3 service representative becomes the ongoing customer
4 service representative to deal with the customer? That's
5 part of your procedure manual?

6 MS. ARSENAULT: Subject to check, I'm not sure if it's part
7 of the procedure manual. Definitely if the customer is in
8 a situation that may be disconnected, that's when we would
9 ensure that the dialogue that happens is with -- I may add
10 that when we get to scheduling for disconnects for non-
11 payment within the contact centre, we have two residential
12 schedulers that we call them. So there are only two
13 individuals that discuss matters of disconnection with our
14 customers. So it's not a matter of having many. It's to
15 ensure that we have a consistent approach with our
16 customers. So we are talking two individuals that would
17 be in dialogue with the customer.

18 Q.371 - And would those persons be different than the person
19 that might have the initial phone call?

20 MS. ARSENAULT: If the initial phone call is to set up an
21 instalment plan and the customer maintains his instalment
22 plan, does not need to get in touch with us, it would not
23 be the same person in that case.

24 I'm referring to cases where the customer has made an
25 instalment plan, has defaulted, and now because of the

2 situation is now being looked at as being scheduled for
3 disconnection.

4 Q.372 - That's when it would go to another person?

5 MS. ARSENAULT: That's when that customer would be talking
6 to that same individual.

7 Q.373 - Now I noted in the legislation that it says that if
8 there is no payment, the distribution company may stop the
9 supply of electricity. So I assume that there is certain
10 discretion for NB Power not to disconnect a customer who
11 is not paying.

12 Are there any guidelines or policies that would affect
13 when you would allow arrears to accumulate for a
14 significant period of time, any outstanding circumstances
15 that might cause that?

16 MS. ARSENAULT: We will work with our customers as long as
17 it takes to get to a mutually agreed upon instalment plan
18 or repayment schedule. So I can't tell you what that time
19 is. It's usually greater than definitely 30 days. So we
20 go beyond -- beyond that time.

21 Q.374 - I was saying are there ever a situation where it would
22 go on indefinitely. I'm not going to go any further with
23 it. Now I understand according to your policy that
24 customers are invited to make satisfactory payment
25 arrangements, correct, when they are behind on their
26

2 account?

3 MS. ARSENAULT: Yes, that's correct.

4 Q.375 - And I understand that what they are to do comes out in
5 the form of the different letters that you send to the
6 customer, what their options are and what they should do
7 when they get behind on their account, correct?

8 MS. ARSENAULT: That is correct. We instruct them to,
9 within the letters or the reminder notices to give us a
10 call, so that we can reach a mutually agreed upon
11 instalment plan.

12 Q.376 - And in these letters do you set out in general terms,
13 or should I say in more specific terms, what their options
14 -- what you would consider to be a mutually or a
15 satisfactory payment arrangement?

16 There is nothing in the correspondence you mail out that
17 says, look, if you are having trouble let us know and we
18 will be prepared to catch your arrears up by two payments
19 of 50 percent eave over the next two months. There is no
20 specifics in these letters, correct?

21 MS. ARSENAULT: No, not in the letter. We work with our
22 customers on a case by case basis. So we don't set out
23 the guidelines within a letter. We deal with that on a
24 case by case.

25 Q.377 - So the case by case guidelines, the options that might

2 be open, aren't in the RSP manual either?

3 MS. ARSENAULT: That is correct.

4 Q.378 - Right. And as I understand it from your IR response

5 to PI CS PI-14, the guidelines -- or the payment

6 guidelines are set out in that particular interrogatory

7 response, correct?

8 MS. ARSENAULT: That is correct. That is our guideline that

9 our customer service agents --

10 Q.379 - It's not the entire guideline though, is it? It's not

11 the entire guideline?

12 MS. ARSENAULT: Pardon me? What is highlighted there must

13 be the high level details of what is in the procedure.

14 Q.380 - Okay. And for the record, the procedure is -- I

15 pulled the pages out, so I can't tell you how far it is,

16 but it's in the IR response you gave this morning with

17 several of the procedures. It's COL-01 instalment plans.

18 I'm just asking if the full instalment plan procedure is

19 in the document that you provided to me this morning, Ms.

20 Arsenault?

21 MS. ARSENAULT: I'm just going through the document just

22 highlighting what sections.

23 Q.381 - Sure. Take your time.

24 MS. ARSENAULT: In reviewing our procedures under COL-01

25 instalment plans, if I look at paragraph numbers starting

2 from the introduction, there is a first -- second -- starting
3 from the third, fourth and fifth paragraph, that is what
4 is captured in the instalment guidelines in response to PI
5 CSP IR-14.

6 Q.382 - Okay. Now your procedures book also includes the
7 following provision, does it not? NB Power may refuse to
8 make the instalment plan if the customer does not appear
9 to be acting in good faith, correct? In the second
10 paragraph in your procedure manual.

11 MS. ARSENAULT: That is correct.

12 Q.383 - Right. And that issue there, who makes the judgment
13 whether the customer is acting in good or bad faith?

14 MS. ARSENAULT: That would be the individual that would be
15 in discussion with the customer.

16 Q.384 - Is there any guidelines or procedures that outline to
17 them factors that constitute or do not constitute good or
18 bad faith, or is it just a judgment call?

19 MS. ARSENAULT: It's on a case by case basis and it would be
20 a judgment call.

21 Q.385 - Thank you. The IR response doesn't include the sixth
22 paragraph.

23 MS. ARSENAULT: I'm sorry. Could you ask the question
24 again, please?

25 Q.386 - Yes. The IR response didn't include the sixth

2 paragraph in the procedure manual?

3 MS. ARSENAULT: That is correct. The IR response in that
4 paragraph is not included.

5 Q.387 - Thank you. And if a customer calls in, is he informed
6 by NB Power, the customer service rep, that it -- there is
7 a requirement to act in good faith as part of obtaining an
8 instalment plan program? Would that be part of your
9 procedure?

10 MR. MAROIS: I am struggling with the question, but I guess
11 what is really most important in that document is the very
12 first sentence, which reads, every possible attempt is
13 made to obtain an instalment plan. That's the mindset of
14 the agent, is to work with the customer to try to reach an
15 agreement. It's the process to through discussion with
16 the customer the experience these agents have with their
17 training, that's where concerns about good faith may come
18 up. But the initial process is kicked off with the
19 intention of achieving an instalment plan.

20 Q.388 - Well my IR asked for you to set out the process by
21 which credit privileges could be further extended, and I
22 get part of an answer.

23 The last paragraph I just wanted to go through, the
24 customer -- this is extenuating circumstances, which goes
25 back to some of my earlier questions under section 73. I

2 asked is it possible that you might not disconnect when there
3 is a significant arrears problem, and I was wondering
4 about this extenuating circumstances.

5 What if any action is taken to determine whether or not
6 these extenuating circumstances might occur, Ms.
7 Arsenault?

8 MS. ARSENAULT: Just to make sure that I am correct, were
9 you referring to the COL-01 instalment plan last paragraph
10 or to the IR response?

11 Q.389 - No, I am referring to the one in your procedures and I
12 will read it out for the record. Instalment plans may be
13 made outside of these guidelines in extenuating
14 circumstances. These circumstances must be recorded on
15 the account and must be confirmed by an external third
16 party such as Human Resources Development, police,
17 Salvation Army, charitable organization, community or
18 legal group.

19 And my question was with regard to this, to what extent
20 are any of these, the knowledge or the existence of these
21 extenuating circumstances made available to a customer
22 calling and requesting a payment plan or some type of an
23 instalment plan to catch up on arrears?

24 MS. ARSENAULT: These particular situations that are
25 outlined there would be because the customer has provided

2 this information to us in the dialogue with the customer.

3 So for example, if I look at the Human Resources
4 Development, today known as the Family & Community
5 Services, a customer would inform us that they are on
6 income assistance and then we would ask the customer okay,
7 if you are on income assistance, would it be okay if we
8 contacted your case worker in order for us to reach an
9 instalment plan.

10 And with the agreement or the consent of the customer, we
11 would be in touch with Family & Community Services and
12 make note of that on their account. And from that the
13 customer would be in dialogue with Family & Community
14 Services and the instalment plan would be in conjunction
15 with those two parties or three parties, ourselves, NB
16 Power, Family & Community Services and the customer.

17 Q.390 - And what I am driving at though is I think the preface
18 to your answer, is if the customer makes this known to us.

19 Do your customer service representatives ask specifically
20 are you receiving social assistance or any assistance from
21 a charitable organization, as part of your determination
22 of the facts or do you leave it up to the customer to
23 volunteer that information?

24 MS. ARSENAULT: Our position with that would be
25 inappropriate to ask those kinds of questions to the

2 customer and that is why it is something that the customer
3 would need to be volunteering to us in that case.

4 Q.391 - So you believe it would be inappropriate to ask.

5 Okay, that's fine. Thank you. Now back at the first of
6 the disconnection policy and I am referring to the first
7 paragraph. It says in the event that there is no written
8 contract for service or provision for termination of
9 service for the customer's rate category, might we
10 conclude from that that there are certain customers that
11 you have contracts with?

12 MR. LARLEE: You are now referring to RSP M-1?

13 Q.392 - M-1, first paragraph, where it says RSP M-1 in the
14 first paragraph, Mr. Larlee.

15 MR. LARLEE: That's correct.

16 Q.393 - Right. And are these kind of a pro-forma contract?

17 MR. LARLEE: I'm not 100 percent familiar with the term but
18 we have a standard contract template that would apply to
19 large industrial customers.

20 Q.394 - Sure. Could you file on the record the standard pro-
21 forma contract you use with the industrial customers, Mr.
22 Larlee? I'm not asking for a specific contract. I am
23 just asking for the pro-forma.

24 MR. LARLEE: It may already be on the record. We can search
25 the record and see if it is and if it isn't, I think we

2 can provide that.

3 Q.395 - Okay. Thank you. And do the provisions of the
4 contract generally provide for different provisions for
5 non-payment and disconnection of service for industrial
6 customers than they do for all other types of customers?

7 MR. LARLEE: I'm not familiar with the details of the
8 contract. Those contracts are all administered by the
9 large industrial account managers.

10 Q.396 - Okay. We will wait until it is filed and go from
11 there. Now in determining these instalment plan
12 guidelines, does a customer have a right to any third
13 party intervention to determine the reasonable nature of
14 any payment guideline -- or instalment plan guideline?

15 MS. ARSENAULT: Other than the Ombudsman's office, that I am
16 aware of there are no other parties.

17 Q.397 - Thank you. I am not going to beat that any further
18 then. The provision in the instalment plan guidelines,
19 the length of the instalment plan should not normally
20 exceed the number of months that it has taken for the
21 arrears to accumulate.

22 You start the procedures to collection in 30 days after
23 the first bill is rendered when an account falls 30 days
24 behind. Is that correct?

25 MS. ARSENAULT: That is correct.

2 Q.398 - So if you phoned me up and I am a month behind, and I
3 said look, I am a little tight. I can start paying but I
4 was laid off for a few weeks. I would like to keep paying
5 my bill but pay that one month off over the next four
6 months.

7 Is that something a customer service representative can
8 approve at the time of that phone call or would he or she
9 have to obtain approval from a supervisor?

10 MS. ARSENAULT: Depending on the customer's payment history
11 with us, the customer service representative may make the
12 decision to accept depending on how long the customer has
13 been a customer with us, looking at the account,
14 appreciating the situation the customer is in.
15 The goal again is to reach a mutually agreed upon
16 instalment plan. So in most cases, looking at the
17 account, they may not refer to the supervisor. In cases
18 that they would, it is because they may feel that looking
19 at the account, the customer is demonstrating maybe not
20 acting in good faith. But it is definitely a case by case
21 basis.

22 Q.399 - So that paragraph, the length of the instalment plan
23 should not normally exceed the number of months that it
24 has taken for the arrears to accumulate, you are pretty
25 flexible about that -- the application of that particular
26

1
2 paragraph. Is that what you are telling me, Ms. Arsenault?

3 I am one month behind and I want to pay over four months,
4 so that is outside of that provision and you would be
5 willing to work with me and perhaps enter into an
6 instalment plan along that line? Or is that etched in
7 stone for your CR, customer service reps? I am just
8 trying to find out.

9 MS. ARSENAULT: We treat our customers with fairness and so
10 it would be dealt on a case by case basis. Depending on
11 the situation that the agent would be reviewing, if that
12 individual felt that it was outside of their comfort, they
13 may seek advice from peers or actually their supervisor.
14 The scenario you have put me through is you know, you are
15 just one month behind, it depends on the value of the
16 arrears and again the goal is to try to reach a mutually
17 agreed upon instalment plan. And if it is felt that the
18 customer would be acting in good faith, that situation may
19 be accepted.

20 Q.400 - So I guess there is more flexibility than meets the
21 eye based on your answer, and I appreciate that, correct?

22 MS. ARSENAULT: That is correct. It's a guideline.

23 Q.401 - Now finally I want to go into some sort of comparison

24

1
2 of what I understand to be the rules on non-disconnection in
3 other jurisdictions during winter months.

4 And would you be aware that in Quebec, Hydro Quebec will
5 not interrupt the supply or delivery of electricity and
6 does not refuse to supply or deliver electricity to a
7 principal residence occupied by a resident customer whose
8 heating system requires electricity?

9 MR. MAROIS: I'm not aware of the specifics.

10 Q.402 - Thank you. And would you be aware that in Ontario,
11 electricity power cannot be cut off between November 11th
12 and March 31st, and if cut off even for non-payment it
13 must be reconnected without charge?

14 MR. MAROIS: No, I'm not aware.

15 Q.403 - Thank you. And Nova Scotia before electricity is cut
16 off the customer has to be informed that he has the right
17 to refer the matter to an independent dispute resolution
18 officer?

19 MR. MAROIS: No.

20 Q.404 - Thank you. Are you aware that in Manitoba a
21 disconnection cannot take place between October 1st and
22 May 14th where such discontinuance will affect the supply
23 of heat to an occupied residential premises?

24 MR. MAROIS: No.

25 Q.405 - And though I consider Maine very consumer friendly,

2 you will be happy to know and I am going to paraphrase, the
3 legislation in Maine, if someone can't pay in the winter
4 you have the right to right the bill out to the
5 government, Mr. Marois. Would you be aware of that
6 particular procedure?

7 MR. MAROIS: No.

8 Q.406 - Would that be an acceptable solution to NB Power
9 during the winter months? I won't go there. That's not a
10 fair question.

11 Just one last point dealing with disconnection. Does NB
12 Power have a list of agencies, charitable organizations,
13 benefactors or sources where somebody is absolutely unable
14 to pay can go to attempt to obtain funding to pay an
15 electricity bill?

16 MS. ARSENAULT: Our principal reference would be over to
17 Family & Community Services. I'm not aware of a list that
18 we have of other organizations other than Family and
19 Community Services.

20 Q.407 - Thank you. NB Power have a customer service
21 guarantee?

22 MR. MAROIS: I'm not certain what you mean by a customer
23 service guarantee.

24 Q.408 - Well do you have a statement somewhere, we guarantee
25 certain things that we will do to our customers.

1 - 201 - Cross by Mr. Hyslop -

2 MR. MAROIS: I'm not aware of any.

3 Q.409 - Just -- I appreciate different utilities have
4 different context, but perhaps I might ask you to look
5 under tab 7 of the document marked ID-2. Do you have it,
6 Mr. Marois?

7 MR. MAROIS: Yes, I do.

8 Q.410 - This is State of Maine on their web page. They
9 guarantee their customers they will make scheduled
10 appointments and if they can't make it, don't let you know
11 four hours in advance, they will give you a \$25 credit.
12 Part of your customer service policies doesn't provide
13 that type of a guarantee, does it?

14 MR. MAROIS: No, we do not.

15 Q.411 - No. And they have one about the accuracy of the bill
16 and if there is a new service connection date and if they
17 don't have it hooked up by the date they promise they will
18 give you a \$250 credit.
19 You don't give a customer a service guarantee with regard
20 to making sure the electricity is hooked up at the date
21 you said you would, do you, Mr. Marois?

22 MR. MAROIS: No, we do not.

23 Q.412 - And I'm not trying to in any way, but this second
24 document that Central Maine Power has goes on for several
25 pages. It's what I would consider a customer friendly

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2 document that apparently customers get down there.

3 And just flipping through, but I saw some things I think
4 on pages -- starting out on page 5, they have a question,
5 what is a watt? Well what is a watt, I'm not sure. And
6 it goes on and there is a series of question and answers.

7 And then they had a table of appliance usage charts on
8 page 10. As part of the customer service and I say good
9 public relations, does NB Power have a document similar in
10 nature to the document that I have got under tab 7?

11 MR. MAROIS: You will appreciate that I haven't had a chance
12 to review the --

13 Q.413 - Sure. And I'm not asking --

14 MR. MAROIS: At a quick glance it would appear that much of
15 this information we would have covered in separate
16 billings. For example the ones we provided you with, I
17 don't know if they have been filed yet, but you will see
18 that many of these topics get addressed on a more topical
19 basis, but we don't have one brochure which includes all
20 of this information in this form.

21 Q.414 - Sure. And you mentioned some brochures. Is that part
22 of what you are going to be providing me I think in one of
23 those undertakings, Mr. Marois?

24 MR. MAROIS: Yes. I guess the challenge I have of doing

2 this piecemeal like that is -- it's like cherry picking. Each
3 jurisdiction we can look at things we like but I could
4 probably guarantee that I could find a lot of things that
5 are not as good as in New Brunswick and that we don't
6 like. So that's the problem I have is yes, any
7 jurisdiction will do certain things well for sure.

8 Q.415 - Some risk -- it is just I have got the answers on the
9 record, but can I commend your people to have a hard look
10 at this. I thought it was a very impressive document. I
11 learned how to read my meter from doing it, so what can I
12 say. Anyhow, I'm not going to ask a question on it. I
13 just --

14 MR. MAROIS: The trouble we have is not necessarily
15 producing documents, it's ensuring that the customers read
16 them. And NB Power, like many other utilities, when I was
17 at Enbridge it was the same thing, we used to send the
18 billing inserts, for example, on a regular basis, but then
19 you do market research and you find out that many
20 customers don't read them, they just throw them away. So
21 it's not just producing information, it's trying to
22 produce it in a way that the customer will read them.
23 And that's why I think having a variety of sources, like
24 the bill insert, a bill message, a website, doing hand-
25 outs at home shows -- you have to try to get to

2 customers in different ways. And it's the same thing with
3 safety messages. You can come out with a great safety
4 message and it has a certain shelf life and then you have
5 to change your message at one point in time because people
6 don't listen anymore.

7 Q.416 - I just thought it was a neat hand-out. Anyhow, that's
8 fine. I would like to thank the panel. I know some of
9 the questions were trying. I appreciate the
10 professionalism in your answers and the courtesy that you
11 have taken to provide them. Thank you.

12 CHAIRMAN: Thank you, Mr. Hyslop. Ms. Desmond, are you all
13 set to go?

14 MS. DESMOND: Could I just have five minutes, Mr. Chairman,
15 to get organized?

16 (Recess - 1:45 p.m. - 1:50 p.m.)

17 CHAIRMAN: Ms. Desmond, on behalf of the Board would you
18 like to carry on.

19 MS. DESMOND: Thank you, Mr. Chair.

20 CROSS-EXAMINATION BY MS. DESMOND:

21 Q.417 - Good afternoon. We have talked a lot in the last day
22 or so about the terms and conditions in the policy. And
23 one of the questions I do have for the Panel is, would
24 DISCO consider developing a document that simply outlines
25 the most relevant terms and conditions and then providing
26

2 that document to residential customers?

3 And if I could just clarify as well. It wouldn't have to
4 be a mass mail-out but in particular for those residential
5 customers who are interested in a concise document?

6 MR. MAROIS: Well definitely there would be merits. What we
7 are talking about -- I think we made some attempt to that
8 by putting some of the key conditions on the bill, and one
9 of the bill inserts that we provided, and I think it's
10 part of explaining the new bill, again we highlighted some
11 of the key conditions. They might not be the ones you had
12 in mind but that was the attempt at highlighting those.
13 But I agree that anything we can do to make it simpler and
14 clearer to the customer is of benefit.

15 Q.418 - I just had understood from your evidence that at the
16 back of the bill there might have been one particular
17 policy or an update, but there wouldn't have been a
18 concise short document that residential customers could
19 refer to if they had questions. Am I correct in that
20 understanding?

21 MR. MAROIS: Just look at the bill again. What we have on
22 the back of the bill is -- and it's entitled Key
23 Conditions of Service. And so what is listed there are
24 all bills are due when rendered. A late payment charge of

2 19.56 percent per year, 1.5 percent per month, with minimum
3 of 50 cents will be charged on any unpaid balance. So
4 that's the first bullet.

5 The second bullet is service may be disconnected for non-
6 payment after 30 days. The next bullet is uninterrupted
7 power supply is not guaranteed. The next bullet is power
8 supply may not be resold or supplied to any other person
9 by a customer without authorization from NB Power. And
10 the next one is accessibility must be provided to all NB
11 Power owned equipment.

12 So that was an attempt to try to get the ones I guess that
13 are more frequently asked or --

14 Q.419 - But you would agree that there are other sort of key
15 provisions in the RSP manual, like when a security deposit
16 is required? It's sort of key points from the manual that
17 could be concise and available to those customers who want
18 that information. Is there some way that could be pulled
19 together.

20 MR. MAROIS: So what you have in mind is something that we
21 could provide when somebody asks for that information?

22 Q.420 - That's correct. Is that possible?

23 MR. MAROIS: Yes, it is.

24 Q.421 - Is there a willingness for DISCO to produce that kind
25 of document?

2 MR. MAROIS: Yes. I'm not certain if -- I guess the only
3 hesitation I have is there could be different ways of
4 putting that together. It could be for example
5 information on the web, it could be -- but the notion of
6 making information accessible to the customer I would
7 support.

8 Q.422 - And actually just with respect to the issue of the
9 website, and I appreciate that you have clearly indicated
10 the information is there, what about customers who do not
11 have access to the Internet? What information other than
12 the FAQs or -- which I do believe are on your website, but
13 what is available on hard copy to customers?

14 MR. LARLEE: I guess the first line of communication is the
15 bill itself, the information printed on the back of the
16 bill. It contains of course the 1-800 number. Inserts,
17 most of the bill inserts on various information again
18 contained in the 1-800 number, so customers without
19 Internet access have access to that information on the
20 telephone or added information on the telephone. All our
21 offices contain shelving that are handy to customers that
22 would have the most recent bill inserts, they would have
23 pamphlets on information. Certainly the RSP manual is
24 available at all our offices. So there is other avenues
25 other than the World Wide Web for customers to get ahold

1 of information.

2
3 Q.423 - But I take from your evidence that there is not a
4 concise document that could be mailed to a customer if
5 they didn't have the opportunity to go into one of your
6 offices or they didn't have Internet access, and that
7 document would contain the key terms and conditions in it.

8 MR. LARLEE: There is not a single concise document that we
9 could mail out to the customer, because the single concise
10 document is the RSP manual and I think everyone would
11 agree that's not practical to mail out to customers. But
12 certainly on a topic by topic basis we do have information
13 that we would send -- mail to customers, for instance on
14 the water heater program, on the equalized payment plan
15 and so forth. When customers ask about a specific topic
16 we have information available to them and if there is
17 printed material we would offer to send it to them.

18 Q.424 - Would it be a large job for DISCO to put all of that
19 together in one package and just the pieces that fit and
20 apply to residential customers? How big a job would it be
21 to put all that together in one particular hand-out or
22 pamphlet, the terms as they relate to residential
23 customers? And I'm not talking about the industrial or
24 the GS class, just the residential customers.

25 MR. LARLEE: The issue here is that most of the RSP manual

2 really applies to residential customers. After all they are
3 our most numerous customers. So it would become really an
4 issue of deciding what parts we wanted to leave out and
5 include. For instance, are we talking about something to
6 mail to new customers, so you might emphasize security
7 deposits and conditions for connections and so forth, or
8 would it be a mail-out for existing customers, so you
9 might emphasize services, payment services and so forth.
10 So I think you would have a difficult time creating a
11 single document that captured everything but wasn't as
12 extensive as the RSP manual itself.

13 Q.425 - Mr. Larlee, you indicated earlier that there are about
14 300 copies of the RSP manual that are circulated. If a
15 customer requested a hard copy of the RSP would you send
16 that to the customer by mail?

17 MR. LARLEE: I think if a customer seriously wanted an
18 entire copy, our first response would be that it's
19 available on the Internet and can be printed. If they
20 didn't want to do that, then we would offer to send them a
21 copy. We would be hesitant to add them to our
22 distribution list because the cost of maintaining that
23 distribution list is extensive. So we periodically
24 encourage everyone on the distribution list, save for our
25 regulator and our owner, that they get their updates from

2 the Internet. But like I said earlier, there are still some
3 300 copies that are distributed in hard copy every time we
4 do an update.

5 Q.426 - Can I call your attention just to the FAQs for a
6 moment. I was having a look at this yesterday and we were
7 surprised to see for example the question around what
8 could be attached to a utility pole as being an FAQ.
9 That's on page 3. But your FAQ makes no reference to
10 security deposits, disconnections or dispute resolution.
11 Does DISCO see questions in relation to security deposits,
12 disconnections or dispute resolution as FAQs, and if they
13 do, would they be prepared to revise this document to
14 incorporate those issues?

15 MR. LARLEE: I start by just perhaps explaining why this
16 particular FAQ number 19 which is, is it okay to attach a
17 clothesline to a utility pole. The short answer is no.
18 And then it goes on and explains it. But it's really a
19 safety issue. It is a common question. And it's a safety
20 issue for our linemen and when there are attachments to
21 the pole it can become quite dangerous for them. So
22 that's why that particular FAQ is there. I don't think --
23 there is really no reason why we couldn't have FAQs on
24 security deposits and other topics. These FAQs are here
25 because of basically they are frequently asked questions

2 by customers. Questions on security deposits, those are
3 questions that would be asked by new customers or
4 customers who are interested in service and would be
5 answered on the spot by the agent.

6 Q.427 - Could I draw your attention please to PI IR-4. In
7 particular sub-question 3. I believe your answer in
8 question 3 says that your consultation outside of DISCO is
9 limited to reviewing the practices of other utilities.
10 Could you advise when in fact you do review the practices
11 of other utilities?

12 MR. LARLEE: Well we would review the practices of other
13 utilities when we are looking at a potential policy change
14 or, you know, we would look at their published
15 documentation, whether it would be hard copies that we
16 would have on hand or what is available on the Internet.

17 If we needed clarification or input on how they
18 interpreted their own policies, we would call them up and
19 talk to them, or perhaps e-mail them and get that
20 clarification. That's the type of consultation I was
21 referring to.

22 Q.428 - Which utility policies have you reviewed in
23 particular?

24 MR. LARLEE: Well certainly we would look at policies -- I
25 personally have reviewed other utility's policies around

2 line extension, optional facilities, underground facilities,
3 policies around rate applications. And I'm sure others in
4 the company have done similar things for other policies as
5 well.

6 Q.429 - I think my question was which utilities, which
7 particular utilities?

8 MR. LARLEE: Well you take -- we always start with a
9 regional approach and we would look at our neighbours
10 first, PEI, Nova Scotia, Newfoundland, the utilities
11 there. And depending on the circumstances we would look
12 at other Canadian utilities, Hydro Quebec and BC Hydro and
13 Sask. Power and so forth. And in certain instances we
14 would look at American utilities.

15 Q.430 - I'm interested in a comment Mr. Marois made earlier
16 where he indicated that DISCO could simply cherry pick,
17 and I'm wondering why you wouldn't look to the best
18 practice? Why wouldn't you cherry pick the best policies
19 that were the most effective ones and integrate those into
20 the DISCO policies?

21 MR. MAROIS: I guess my point was maybe taken a little bit
22 out of context. When I said that you had Mr. Hyslop
23 quoting excerpts from other jurisdictions and I guess my
24 point was that he is cherry picking what he wants to talk
25 about. There is probably other sections in those acts or

1 those regulations that we don't want to -- that would
2 potentially be detrimental to our customers and we were
3 leaving them behind. So that was my point. We do look at
4 best practices but the challenge -- I think for example --
5 I will give you an example. And I think we are quite
6 innovative here. A couple of months ago we created a
7 position called manager best practices. So his role is to
8 help us resource what other utilities are doing in may
9 fields to try to identify what is the best practice. The
10 issue I have got is some of these policies and procedures
11 are tied together and you are changing one without
12 changing the other. My comment was that you have to
13 understand the whole, how you got there, how things work
14 together, and you have to understand the why. In looking
15 at it, benchmarking is so easy today with the Internet,
16 you can research, but understanding why it's being done in
17 a certain way, have they been doing it for a long time is
18 important, how do they define it. What we are learning
19 more and more is even the simplest word utilities are
20 defining in different ways. Take the length of wires. We
21 could probably have three or four definitions of what
22 should be included or excluded in the length of wire. So
23 you look at a utility, let's say they have got x-thousand
24 kilometres of wire, but you don't know it means because
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1
2 until you understand what they include in it or they exclude.

3 So that's what we find extremely difficult in
4 benchmarking. So that's why we are looking at trying to
5 identify best practices, and some of these practices will
6 find their way into the policy over time. So that's
7 different than cherry picking. The comment I was trying
8 to make.

9 Q.431 - If I can give you a specific example. If we talk
10 about your disconnect policy. In your evidence you
11 indicate that you would -- you know, when you are looking
12 at policy you do a consultation process. What does that
13 consultation process look like, who specifically do you
14 consult, and if you are looking at the practices of other
15 utilities and you learn that there is a better policy, how
16 does that get into the DISCO policies? What specifically
17 happens?

18 MR. MAROIS: I'm not certain which part of the evidence you
19 are referring to. I presume it is regarding the no
20 disconnection policy?

21 Q.432 - No. I'm looking at IR-4, the same IR we had pulled up
22 a minute ago, and we talked about the consultation that
23 would take place prior to a change in your customer
24 service policy. I believe that was IR-4 again, sub-
25 question 3.

26

2 So I am trying to get a clear understanding of what your
3 consultation process looks like then. Do you consult
4 customers, other utilities? Do you do your research on
5 the Internet? What exactly do you do when you
6 are trying to consult or look to best practice?

7 MR. MAROIS: Well I think it's a case by case. For example
8 we are a member of the CEA, the Canadian Electric
9 Association. So that's one way for us to understand what
10 is going on across the country. We talk to other members,
11 we attend sessions where different utilities make
12 presentations on what they are doing in different areas.
13 So that's one way for us to gather that type of
14 information.

15 Sometimes we just -- like we mentioned previously, we just
16 look at consult publicly available information, what other
17 utilities do. I mentioned earlier in this hearing that we
18 are doing market research right now with our customers.
19 We are trying to -- we have got focus groups, we have had
20 -- we are going to be doing a quantitative survey by phone
21 to see what is important to them. So that's a form of
22 consultation or research.

23 So there are different things we do in different occasions
24 depending on what you are trying to achieve. So there is
25 not one standard formula on consultation. And

2 for example there is a change in our disconnection policy to
3 integrate the no disconnect, that was not driven by us.
4 That was driven by the province. So we participated in
5 discussions they wanted to have on the topic.

6 Q.433 - With respect to the same IR, if you could look at your
7 answer under sub-question 8. And I believe the question was
8 whether an economic impact analysis is completed. When a
9 policy change does require a quantitative economic
10 analysis, could you please describe the methodology and
11 how it is documented?

12 MR. LARLEE: I think probably the best example is when we
13 are doing a rate change and we are looking at customer
14 impacts, and the analysis there was at the billing -- at
15 the billing level and at the customer level and how
16 customers would see any rate changes impact them. So
17 that's the type of economic analysis I felt the question
18 was referring to.

19 Q.434 - Mr. Larlee, I believe the question dealt with policy
20 and it wasn't directed to rates. I think your answer was
21 a rate-related answer. If you could consider that
22 question in the context of a policy change.

23 MR. LARLEE: Well I guess that's where I'm struggling a bit,
24 just think of examples where policy change would have an
25 economic impact.

2 Q.435 - Your answer suggests that a policy change does not
3 always rely on that kind of an analysis, which would
4 suggest that in some circumstances it does require that
5 analysis.

6 MR. LARLEE: Yes. I think what I was referring to there is
7 when there is an impact on fees -- on fees and charges. So
8 hence the qualification there is not always.

9 Q.436 - So other than with respect to fees, if there is a
10 policy change you would not do an economic analysis, if
11 it's strictly a customer service policy change?

12 MR. LARLEE: That's correct.

13 Q.437 - I just want to ask you a couple of questions around
14 credit card privileges. I understand from the evidence
15 that DISCO does allow for automated payment plans, is that
16 correct, an automatic withdrawal from bank accounts?

17 MS. ARSENAULT: Yes, that is correct. We call that program
18 internally or with our customers our pre-authorized
19 payment plan.

20 Q.438 - And if so, can you -- I guess you do have that. Could
21 you provide to the Board the approximate cost to the
22 client for having that service available?

23 MS. ARSENAULT: There is no cost to the customer. It is
24 free.

25 Q.439 - I would appreciate -- I appreciate there is no cost by

2 DISCO, you are not charging the client for that. To your
3 knowledge is the client normally charged by their
4 financial institution for having that service?

5 MR. LARLEE: I can only speak from my personal experience.

6 I certainly am not. And I can't imagine -- anyway, my
7 experience is there is no charge by the financial institution.

8 Q.440 - Is it fair to say that there is some cost to DISCO for
9 having that service available -- some administrative cost
10 to DISCO for having that service available for customers?

11 MS. ARSENAULT: We do have the different payment channels
12 that our customers use and that we offer, and we do have
13 what those total costs are and as well the cost per
14 payment. The pre-authorized payment method is relatively
15 low cost per payment compared to for example if they were
16 paying to let's say an NB Power office in comparison. So
17 we do have those costs per channel.

18 Q.441 - That is the cost that DISCO pays to have those options
19 available, am I correct?

20 MS. ARSENAULT: Those are our costs to us, to DISCO, yes.

21 Q.442 - And I guess the reason for my question is to wonder
22 and to understand if DISCO would accept VISA if there was
23 a requirement for the customer who wanted to use VISA to
24 pay that additional cost, so if a customer chose to incur

2 the administrative cost of having VISA available to them,
3 would DISCO reconsider its policy of not allowing
4 customers to charge their accounts to their VISA bills?

5 MS. ARSENAULT: Subject to check, I believe that charging an
6 extra fee for credit card payments would be against the
7 Canadian Payment Association rules. As well when we stopped
8 our credit card payment, we had prior to that had a focus
9 group with some of our customers and asked them if they
10 were willing to pay an additional fee in order to be able
11 to use a credit card, and the response from the focus
12 groups were that they were not interested then.

13 Q.443 - I'm wondering which customers in particular were
14 targeted in that group? Was it directed to residential
15 customers? And I'm wondering if customers were given some
16 indication of what the fee would be?

17 MS. ARSENAULT: I would have to check on that. I'm not
18 sure. I believe they were residential customers but I
19 would have to check.

20 Q.444 - And assuming that we weren't violating any legislative
21 provisions, would DISCO be prepared to allow that service
22 to customers if the customer was prepared to pay the fee
23 associated with it?

24 MR. MAROIS: I guess my initial reaction is it depends. One
25 of my concerns would be the administration of such a

2 program. I mean, if you have a chart for specific type of
3 customer depending on their payment type, as soon as you
4 introduce complexity like that it's an additional
5 administrative burden. But one thing you have to keep in
6 mind is when we did decide to put an end to credit card
7 payments we had a relatively small percentage of our customers
8 that were using it. So about 14,000 customers on 320,000
9 customers. So it was only used by a relatively small
10 portion.

11 Q.445 - As an alternative would DISCO permit a customer, so
12 for example a contractor, to provide a deposit to be held
13 in their account for paying for services that they
14 required?

15 MR. MAROIS: I guess I can only presume that you are making
16 reference to the situation we heard last night, and I
17 guess I'm not prepared to go to the details here, but I
18 guess what we would like to do is find a solution -- a
19 workable solution to this situation. But I'm not certain
20 yet what would be the best option.

21 Q.446 - Can we talk just for a minute about temporary
22 facilities, and I will bring your attention to section 02
23 I believe in your memo. Could you please describe the
24 situations in which temporary facilities would be
25 established?

2 MR. LARLEE: Can you give me the reference again, please?

3 Q.447 - It's in the manual 02, and it's actually the first
4 paragraph.

5 MR. LARLEE: I guess probably the best way to characterize
6 this is it's construction power for new homes. This is
7 what this would be referring to. If you have seen a new
8 house under construction there is what -- it looks like a
9 tripod sitting out front and there is power there that
10 basically allows the contractor to build the home. And
11 then it would stay there until construction is completed.

12 And then there would be another service call to basically
13 instal the service into the permanent service built onto
14 the side of the house.

15 Q.448 - Are those facilities always metered?

16 MR. LARLEE: For the situation I just described, yes. There
17 is a section in the RSP manual called temporary short term
18 unmetered, but that's a different situation that would
19 relate more to fairs, festivals and so forth. But I don't
20 believe that's the situation you are referring to.

21 Q.449 - Can I bring your attention, please, to PI IR-14. I
22 believe your response in this IR is that with respect to
23 the extension of further credit and in the case of large
24 industry, senior management is required to approve the
25 extension in terms, is that correct?

2 MR. MAROIS: Could you please repeat? Sorry.

3 Q.450 - Just near the end of your response there, I believe
4 you indicated that in the case of large industry senior
5 management is required to approve the extension in terms
6 in the event that further credit is required.

7 MR. MAROIS: Yes, that's correct.

8 Q.451 - Could you indicate to the Board, please, who is senior
9 management who would have to approve that?

10 MR. MAROIS: The minimum it would be would be our finance
11 director which reports directly to me, and our director of
12 supply and contracts who also reports directly to me. And
13 depending on the approval guidelines it could come to me
14 directly.

15 Q.452 - Are the same terms, conditions and policies that are
16 applied to the industrial customer -- are they also
17 applied then to a residential or GS customer?

18 MR. MAROIS: I don't know if this is going to answer your
19 question. I guess there is a couple of sections in the
20 manual itself where large industry are dealt with
21 separately from other customer classes, and typically this
22 is to reflect the fact that with large industry it's more
23 on a case by case basis where you have to apply more
24 discretion. And this is truly consistent with what we
25 have been observing in other jurisdictions.

2 Q.453 - Would the large industrial customer then be required
3 to provide some additional form of assurance, any that you
4 were going to extend credit, so for example, a pledge
5 asset, letter of credit or a bond from a company?

6 MR. MAROIS: Yes, it could take different forms. Sometimes
7 it's a letter of guarantee, sometimes it could be parental
8 guarantees. So that's why it's more case by case with
9 these large customers.

10 Q.454 - Can I bring your attention then to PI IR-15, please.

11 My question is you will note in 2005/2006 567 accounts
12 were settled, and that was a significant drop from
13 previous years. And similarly in 2005/2006 the amount of
14 account write-offs was significantly higher than previous
15 years. Is there some explanation for that?

16 MS. ARSENAULT: When you look at the accounts settled in
17 05/06, the way we count the number of accounts settled is
18 that that number there currently right now is dynamic
19 because we are still in process of recovering some of
20 those accounts. So they go back to that fiscal year that
21 they were written off.

22 So today if we were to run the report, that number would
23 not be 567. It potentially could have grown to a higher
24 amount. So that is why it shows that it seems to be
25 insignificant but we are still recovering in some cases

2 those accounts.

3 Q.455 - Thank you. Could you please turn to section 02 of the
4 RSP? And I am just seeking some clarity around when an
5 initial connection charge would be appropriate? When do
6 you charge an initial connection charge?

7 MR. LARLEE: The easiest way to explain initial connection
8 charge is when we have to run wire. So if there is wire
9 that has to be run to hook up a customer, the initial
10 connection charge would apply. So for instance when we
11 are setting up a new home under construction when the
12 temporary service goes in, the wire is essentially all run
13 and made available so that when the permanent service is
14 attached, it is just simply a matter of moving the wire.
15 It is all there.

16 So the way I explain it when I am training new staff is
17 just the way I have explained it to you now.

18 Q.456 - So is it fair then to say a person moving into a home
19 that is not new construction but a home that had already
20 had service, they would only be charged a reconnection
21 fee?

22 MR. LARLEE: Yes, they would be charged a service call fee
23 which is the lower fee which is currently at 39.29.

24 Q.457 - And with respect to 02 as well and if you could have a
25 look at 02 in connection with PUB IR-9.

2 MR. LARLEE: Yes, I have that.

3 Q.458 - Could you please describe the cost factors and the
4 methodology that would go into the cost of determining the
5 fee for initial connection for a seasonal customer?

6 MR. LARLEE: Well the fees that are in the RSP manual today
7 for the initial connection are not differentiated between
8 a seasonal residential customer and an urban or a rural
9 residential customer. It is the same fee.

10 Q.459 - All right. And are the factors that are used in
11 making that determination, are they the same for a rural
12 residence or an urban residence?

13 MR. LARLEE: I think it is important to note that the fees -
14 - what is referred to as a service call fee and the
15 initial connection fee are not cost based fees as they
16 stand today. They are fees that have been in use for many
17 many years and have been increased over the years based on
18 rate increases during general rate increases.

19 And that is partly the reason why we included as part of
20 the response to this IR some of the work that we had done
21 recently in looking at these fees and what cost based fees
22 would look like.

23 Q.460 - Could you explain why DISCO charges a different
24 reconnection fee for seasonal and non-seasonal customers?

25 MR. LARLEE: Yes. In response to PUB IR-9 part 3, we

2 answered that very question. And the primary reason being is
3 that there is added costs to reconnecting these customers.
4 So that is obviously reflected in the very first time the
5 fee was put in the manual and has continued to be
6 reflected in the subsequent rate increases.

7 Q.461 - If I give you the scenario that you have a rural
8 customer who is not a seasonal customer but has a
9 reconnection and next door is a seasonal customer that
10 wants a reconnection, is it fair that their reconnection
11 fee is substantially different?

12 MR. LARLEE: Yes. That is fair. I mean most seasonal
13 accounts are rural.

14 Q.462 - The travel costs would be the same though, is that
15 correct?

16 MR. LARLEE: If they are side by side , the travel costs
17 would be the same.

18 Q.463 - If you could refer please to PI IR-16. I am also
19 referring to the undertaking that was answered today as
20 well with respect to the amount of time that it takes a
21 customer service agent to respond. And I believe that the
22 evidence given with that, your target time is 30 seconds.

23 Is that correct?

24 MS. ARSENAULT: Our annual target is in 80 percent of the
25 time to answer in 30 seconds, that is correct.

2 Q.464 - And I believe that yesterday you indicated that you
3 thought that for December your target time was 40 seconds.
4 Is that correct?

5 MS. ARSENAULT: Subject to check I think I said year to
6 date.

7 Q.465 - And am I correct that year to date it is actually 50
8 seconds for the target? I'm sorry, for the actual
9 response time, not the target.

10 MS. ARSENAULT: I would have to calculate from April of 2006
11 to November because I meant the fiscal year which is April
12 to March.

13 Q.466 - Okay. I guess based on the information that was
14 provided and the undertaking, your last sentence on the
15 first page has got the last 12 month average as 50
16 seconds. Is that correct?

17 MS. ARSENAULT: That is correct from December 2005 to
18 November 2006.

19 Q.467 - And you would agree that that is substantially
20 different than the target?

21 MS. ARSENAULT: The target is for 80 percent of the time to
22 be within 30 seconds so can't really compare to the year
23 to date of -- not year to date, sorry, the last 12 months
24 of being 50 seconds.

25 Q.468 - So how then do we evaluate that information given in

2 the undertaking -- we are trying to get a sense of what your
3 target is versus the effectiveness. And basically the
4 information in the undertaking doesn't respond to whether
5 you have managed that target.

6 MR. MAROIS: While my colleague is thinking about the
7 response, one thing I think that is important to keep in
8 mind is these are internal targets. And by definition
9 they are a stretch. And they are especially stretched for
10 us since 2004/2005 because since then we have reduced our
11 staff by 22 percent -- 22 percent. So this service level
12 is indicative of where we have been historically and we
13 want to maintain that service level but for us it is
14 currently a stretch target. I just wanted to make that
15 general comment.

16 Q.469 - But it is important to have targets, am I correct, for
17 customer service?

18 MR. MAROIS: Definitely. That is why we have them. I guess
19 what I am saying is it is a stretch target. I just want
20 to make that general comment that by having a stretch
21 target you don't always meet it but you strive to get
22 there.

23 Q.470 - Could you just clarify what you mean by a stretch
24 target?

25 MR. MAROIS: A stretch target is a target that is achievable

2 but requires -- it is a challenge to meet. So it's not
3 something that is easily achievable. And it forces you to
4 become better. And especially for us since we reduced our
5 staff by such a significant level, this is an area where
6 we want to be at that level but it doesn't mean we are
7 necessarily there at this time.

8 Q.471 - But I guess --

9 MR. MAROIS: So I guess in other words, even if we don't
10 meet the target, it doesn't mean we are not providing good
11 service. But it's a target we are striving to achieve.

12 Q.472 - But you are setting targets which I would assume are
13 reasonable targets based on your resources? And that is
14 your goal, your reasonable goal that can be met with the
15 resources you have? Is that a fair comment?

16 MR. MAROIS: Well that is where there is a difference
17 between reasonable and stretch. I mean, stretch, you hope
18 that your stretch is achievable. But when you set a
19 target you are never certain. And my point is it is more
20 than reasonable. It does represent a stretch for us in
21 the current circumstances we are in.

22 Q.473 - Okay. So what then would be a reasonable target as
23 opposed to a stretch target?

24 MR. MAROIS: Well that is a difficult question to answer
25 because what is reasonable. Is reasonable your past

2 performance? Is reasonable -- I guess the wording we use is a
3 stretch target which forces you to improve your
4 performance.

5 Q.474 - But how then do you measure the performance of your
6 staff if you don't have a reasonable target in mind?

7 MR. MAROIS: Well we measure the performance of our staff in
8 achieving our stretch target. And if we don't meet it
9 then we analyze the situation, why haven't we met it and
10 what can we do to improve but it is the target we strive
11 for.

12 The only point I was trying to make is it is a stretch
13 target. By being a stretch target, it is not easily
14 achievable. That is what I am saying. It is achievable.

15 And we have proven that we can achieve it at certain
16 times of the year. Certain times of the year it is more
17 of a challenge. And like I say, we would have to convert
18 the 50 seconds into 80 percent of the time and I don't
19 know if you have been able to -- no.

20 Because we can undertake to do that. The only way you can
21 compare the 50 second with a target of 30 seconds 80
22 percent of the time, is you have to do the conversion.

23 Q.475 - Are you prepared -- or would you undertake to give us
24 that information? The -- and I thought I heard you say
25 you could give that information. It is possible to give

2 us an indication?

3 MR. MAROIS: Yes. It is just that we don't typically work
4 under the calendar year. But assuming we can we will,
5 yes.

6 Q.476 - So aside from response times, what other stretch
7 targets or reasonable targets for customer service does
8 DISCO have?

9 MR. MAROIS: Well there are numbers. I guess it depends on
10 the level you look at. But at the DISCO level in our
11 corporate scorecard, we have got our customer survey,
12 satisfaction index or a CSI. Another target we have is
13 the percentage of estimated time of responses that we
14 provide our customers when there is an outage. So that's
15 really being able to tell our customers if there is an
16 outage, that their system will be restored within two
17 hours for example. So we have put a target there, because
18 the number was lower than we would have liked. So that's
19 another one.

20 We have got one that is related to tracking industrial
21 rates of other jurisdictions. We have got another target
22 that is arrears as a percentage of revenue. We have got
23 actual service to standards. So that means the amount of
24 time it takes us to connect a new customer. The amount of
25 time it takes us to connect a new customer. So new

2 service connection. We have got a major customer relationship
3 index. We have got SAIDI, which is the system average
4 interruption duration index. And we have got SAIFI, which
5 is a system average interruption frequency index, where
6 they both are a measure of outages. So these are the
7 measures we track at the corporate level. But then each
8 department will have their own measures. For example, in
9 Lynn's group, she will have things like --

10 MS. ARSENAULT: At our group level, we actually measure as
11 well the average write off as a percentage of in-province
12 revenue. We measure arrears weekly by rate class. We
13 measure average speed of answer in seconds and customer
14 service index, the CSI.

15 Q.477 - How does DISCO measure actual performance for each of
16 those targets? I guess on a corporate level and with
17 respect to Ms. Arsenault's department?

18 MR. MAROIS: It depends on the measure. I mean some
19 measures are automated, like the speed of answer. I mean
20 that's generated by the system. Some measures currently we
21 have to compile manually. For example, our compliance
22 with the number of days it takes to connect a new
23 customer. Our objective is to automate all of these
24 measures as much as we can. But our scorecard is still in

2 evolution. So some of these measures are changing annually.

3 So until we were -- we have kind of a more definite set of
4 measures then we will look at automating all of them. So
5 it depends on the source of information.

6 Q.478 - So each target is in fact measured?

7 MR. MAROIS: Oh, yes.

8 Q.479 - And would DISCO provide to the Board information on
9 each target and your actual performance in relation to the
10 target?

11 MR. MAROIS: Yes we can.

12 Q.480 - What if any action would DISCO take if the targets are
13 not met?

14 MR. MAROIS: Well again it depends. I mean each -- the
15 scorecard is reviewed monthly. And assuming that the
16 measures are measured monthly, which most of them are, I
17 mean the review starts with a group discussion under
18 results, why the results are what they are.

19 A good example is one area that we have made significant
20 progress is the percentage of time we provide an estimated
21 time for restoration for customers when there are outages.

22 The percentages were lower than we wanted at the
23 beginning of the year.

24 What we did at each month's review, we tried to understand
25 why the results were what they were. Then we

1
2 developed a strategy to go back to the field to encourage --

3 really this is information that our line workers can
4 provide us when they go on a jobsite.

5 And through coaching, through discussions, through all
6 sorts of initiative, we were able to significantly
7 increase the amount of time that line workers do report
8 that information. So just constant monitoring, constant
9 discussion, looking at how you can do things differently.

10 The same thing -- I mean in the -- one thing we did, for
11 example, is one of the reasons we were struggling in
12 achieving our telephone response time is we were having a
13 lot of turnover in our staff. And one of the reasons we
14 were having a lot of turnover is we had a lot of people
15 that were on term. And one of the reasons we had people
16 on term is we wanted flexibility. So if you wanted
17 flexibility, so the workload goes down, you are able to
18 let people go. The trade off for that is that you have
19 people that are leaving and you were losing your people.

20 So we made some of these people to try to reduce the
21 turnover so that you can -- because it takes a lot of time
22 to train somebody. And when you have a turnover, you
23 bring in new people, then your telephone response time
24 goes down.

25 So it's a juggling act. I mean we in here where we

2 are trying to cut our costs. Like I said, our staff has gone
3 down by 22 percent over the past two years. We are
4 introducing new systems. So you have to juggle these
5 things daily, try to keep your costs down, trying to keep
6 your service levels up. And that's why I said a lot of
7 these measures are stretched for us, because in light of
8 the context we are in, they are not easily achievable. So
9 we take corrective measures on a monthly basis depending
10 on the situation.

11 Q.481 - Just with respect to targets, I see in your FAQ you
12 indicate that if somebody was to get electrical service to
13 their home, it's number 7, that a service call would be
14 scheduled within 12 days. And I wasn't clear what that
15 meant. Is that the service would be provided within 12
16 days or that within 12 days you would have contact from
17 someone who would then schedule the service?

18 MR. MAROIS: No, the work would be performed within 12 days.

19 Q.482 - And I take that to be a target that DISCO is trying to
20 meet?

21 MR. MAROIS: Yes. And it's part of the -- it's one of the
22 targets I mentioned to you in our scorecard. It's in
23 there.

24 And like I mentioned yesterday, we have embarked on a
25 ambitious project of reviewing our service standards. And

1
2 we are doing customer research. As a result of that, we
3 anticipate some of our standards will change. And these
4 are going to be the standards we are going to be tracking
5 in our scorecard on a go forward basis. So for now what
6 we are tracking are new connections. And the target we
7 have is a weighted average of temporary connections, which
8 are five days. Permanent connections that are 12 days.
9 And conversions of temporary to permanent, which are also
10 12 days.

11 So we have developed an index for those -- our target is a
12 combination of those three factors.

13 Q.483 - Could those targets not be provided to customers so
14 they have a sense of -- I mean aside from this one target
15 in your FAQ, what other reasonable expectation they would
16 have for service?

17 MR. MAROIS: Well that's going to be part of our strategy
18 going forward, because one thing I am stressing is we need
19 to have more standardized service across the province. We
20 cannot afford -- we have to provide a no frills service.
21 And we cannot afford to give customized service. And
22 often that's what happens is unfortunately the squeaky
23 wheel gets the oil. And we have a lot of emergencies.
24 People don't call us and then all of a sudden they are in
25 panic and they need their power and then to try to
26

2 accommodate that customer, you bump another. So that's where
3 you are putting out fires in too many situations.

4 So what we want to do is establish the standards. Can we
5 keep those standards clearly to our customers minding the
6 expectations, so that at the end of the day we are able to
7 keep our costs low and our rates as low as possible. So
8 that's part of the strategy going forward is we know we
9 are going to have to manage expectations, because we may
10 not be able to offer everything the customer wants so --

11 Q.484 - And it would be reasonable to assume that in due
12 course that would be included in the RSP?

13 MR. MAROIS: Well that's where you get into the distinction
14 of policy and targets. I mean a policy for me is
15 something that's a high level. It's really what are the
16 rules of the games. You targets may change year to year
17 depending on the situation, on different things that
18 happen. So in my mind that would be an example where it's
19 too detailed to put in a manual. It's something you want
20 to communicate to customers. But it shouldn't be in your
21 high level manual -- policy manual.

22 Q.485 - And just with respect to providing service to a
23 residential customer, a new home, would that service be
24 available sooner if the customer was willing to pay an

2 after hour visit fee? I will bring the Board's attention to
3 02 in the manual.

4 MR. LARLEE: The most common application of the after hours
5 fee would be for a retail business that for whatever
6 reason needed some work done to their service and needed
7 the power to be disconnected in order for that work to be
8 carried out and did not want to do it during business
9 hours because it would be too costly for them to lose the
10 business. So they would then be more than willing to pay
11 the after hours fee to have the work done after hours.
12 My understanding is that it is not used very frequently by
13 residential customers, but it has been in the past used by
14 residential customers as well.

15 Q.486 - So it is available if a residential customer doesn't
16 want to wait the 12 days to say I will pay the after hour
17 fee and the service will be provided more quickly, is that
18 accurate?

19 MR. MAROIS: Technically, yes. Or clearly, yes. It's going
20 to be dependent upon the availability of the staff.
21 That's one area that I have a problem with the fee that's
22 currently in the manual. It's definitely too low.
23 Because for us to be able to provide that service, it's
24 very disruptive. I mean you have got to have your crews
25 working overtime. It could impact the workload for the

2 next day depending upon the amount of time they work. So this
3 is something that we have to keep to a minimum. I mean
4 the service can be offered but again we are not geared to
5 provide that type of service on an ongoing basis. It's
6 very costly.

7 Q.487 - When a customer calls looking for connection, are they
8 informed of this option when they try to arrange for
9 service?

10 MS. ARSENAULT: When they contact the contact centre to
11 advise if they are building a new construction, we advise
12 them of the -- what we call the commit date. So that
13 would be the 12 days. And in the dialogue with the
14 customer if the customer says at that point that's not
15 sufficient, I would like it sooner, that's where we would
16 offer the after hour option and advise them of what those
17 fees are and then consult with our planning department to
18 see if that's possible.

19 COMMISSIONER TINGLEY: I have a question on that response.
20 I am a customer and I call and you tell me that I can get
21 response in 12 days. Is that 12 days from the call or 12
22 days from when the original call when you have asked for
23 that service?

24 Just the way you responded to that, you know, like -- and
25 I am aware of a situation and I take dispute with your

2 numbers, but that's another issue. But you said you would --
3 you know, your response is 12 days from the call. Is that
4 the first call, the second call or the third call of the
5 customer?

6 MS. ARSENAULT: It's from the first call. The moment of the
7 initiation.

8 COMMISSIONER TINGLEY: Moment of initiation.

9 MS. ARSENAULT: Yes. Provided that -- in new construction
10 situation provided that we advise the customer that the
11 wiring permit application is as well provided in time.
12 But we tell the customer on or before a particular date.

13 COMMISSIONER TINGLEY: But it's normally not the customer,
14 it's the contractor, isn't it, that calls for service that
15 calls for that connect? It's normally not the owner.
16 It's normally the electrical contractor who has gained the
17 permit?

18 MS. ARSENAULT: That is correct. In most cases it could be
19 the contractor that the customer has employed to build
20 their home. And we would advise the contractor of that
21 information. And then subsequently if the customer would
22 call inquiring, we would provide the same date on or
23 before to the customer that we would have provided to the
24 contractor.

25 Q.488 - When someone calls concerning a problem with their

2 service, how much information is actually given to a customer
3 re the possible cost of the service call?

4 MR. LARLEE: Could you rephrase the question? I wasn't
5 clear if it was our cost -- DISCO's cost or the cost that
6 the customer was going to incur?

7 Q.489 - When someone calls and they have a problem with their
8 service, what kinds of information is given to the
9 customer about what they will have to pay for a service
10 call to their home?

11 MS. ARSENAULT: If a customer is calling us in regards to
12 their new service we would be providing them the
13 information that is found in section 02 or 01 depending on
14 what their request is referring to within the RSP manual.

15 MR. LARLEE: In the case where a line extension might be
16 required then that would require a site visit by our staff
17 to generate an estimate. So there may be cases where we
18 are unable to provide the full cost because we need more
19 information.

20 Q.490 - The context of the question was if other utilities
21 make -- you may call and say I have a problem, but before
22 that person actually comes to your home, they will explain
23 to you that here is what the possible cost will be for you
24 if there is a problem?

25 MS. ARSENAULT: Based on the request from the customer, for
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2 example, if it's a temporary service, we would provide the
3 fee, the connection fee, in the call to the customer as to
4 what that fee would be. If they were inquiring about a
5 water heater maintenance order, we would say that there is
6 no fee to the customer because that is a part of their
7 rental service.

8 Q.491 - It appears that DISCO does not specifically track
9 complaints separately from other kinds of inquiries, did I
10 understand that correctly?

11 MR. MAROIS: That is correct.

12 Q.492 - And why is that? Why do you not track complaints? I
13 appreciate that I think your evidence was that in some
14 instances it's difficult to discern what is a complaint,
15 but where it's clearly a complaint why is it that you
16 don't track those?

17 MR. MAROIS: Well that is part of the issue is what is a
18 complaint. I mean, my personal view is it's something
19 that is very challenging to do. Some companies do it, but
20 in my 20 years -- 22 years with the utility the only time
21 -- some utilities that I'm aware of track complaints
22 sometimes when they get escalated, for example, if there
23 is a procedure with the regulator then those are in
24 written form, you track those.

25 But it's difficult to do because first of all you have

2 to define what is a complaint and I think that's a challenge.

3 There is numerous points of entry, I have tried to convey
4 that. Like in the case of our company, I mean do you
5 track only complaints that go through the contact centre?

6 Do you track complaints that come from the field? They
7 can come from numerous parts of the field. Do you track
8 complaints that go to the CO's office, the VP's office,
9 the chairman's office? So they can come from -- and at
10 the end of the day I really question the value you can get
11 from it, because then -- I mean some companies track
12 complaints on a more statistical basis.

13 If you had 100 complaints in one year and you got 95 the
14 next year, okay, what does that tell you? Have we really
15 done much better? I prefer -- my approach is first of all
16 trying to get the service right in the first place, so you
17 provide the proper leadership to your employees to deliver
18 good quality service. So that's the starting point.

19 And then it's more of a qualitative way of tracking the
20 service you get, interactions with the customer, trying to
21 get feedback. We do a market research on a regular basis,
22 try to get feedback from our customers, understand what
23 they think. I think you get more value

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2 from that perspective.

3 Q.493 - Assuming you are able to define a complaint and
4 enumerate what that would include, why would you not track
5 complaints no matter where they originated from, so that
6 you have a record of where they are coming from, in what
7 specific area of service, and then establish a target for
8 a resolution date? Has DISCO considered that and would
9 you see value in trying to set a target date for the
10 resolution of complaints?

11 MR. MAROIS: We have not considered it and I think it's
12 something that's very hard to implement and track, because
13 each situation is different. Some complaints or disputes
14 or issues can get addressed very quickly. Some take more
15 time. So it could add value but does that value outweigh
16 the administrative burden of trying to track those
17 complaints? I'm not convinced.

18 Q.494 - I just wanted to clarify a few things that were
19 discussed yesterday on the no-disconnect policy that has
20 been introduced by government. Am I correct that a client
21 is referred to Family & Community Services to determine if
22 they qualify for a program at Family & Community Services,
23 is that -- am I correct?

24 MR. MAROIS: I guess for the customers that believe that
25 they are in legitimate economic needs, they have to first

2 of all raise the fact with us. And once they have done that
3 what we require -- we will refer them to Family &
4 Community Services to get evaluated. And my understanding
5 is Family & Community Services only have one set of
6 criteria, and it's a criteria they use for their existing
7 programs. So they will evaluate or assess the person
8 based on their existing criteria.

9 So that's why we have added more flexibility in our
10 process, because I guess we take -- our position is that
11 even if somebody doesn't meet the criteria for Family &
12 Community Services they could still be in need. So that's
13 why if the customer comes back to us after going to Family
14 & Community Services and they have been accepted, then
15 that's a clear-cut case. It's easy.

16 Even if they have not been -- if they have not met their
17 criteria our perspective is just the fact that they have
18 gone to Family & Community Services is a proof of good
19 faith, acting in good faith, and then we will do what we
20 can to work with the customer and avoid disconnect.

21 Q.495 - So I understand then that the assessment tool used at
22 Family & Community Services has not been revised in any
23 way as a result of the new policy? It's the same point of
24 entry, the same assessment for qualification that
25 previously existed?

2 MR. MAROIS: That's my understanding, yes.

3 Q.496 - And has there been any new program developed, any new
4 funding developed at Family & Community Services as a
5 result of this new no disconnect policy?

6 MR. MAROIS: Not to my knowledge, no.

7 Q.497 - So if the client doesn't qualify, they come back to
8 DISCO, what specific measures or steps has DISCO developed
9 since the implementation of the no disconnect policy to
10 ensure no new disconnections -- or winter disconnections.
11 And I appreciate that you did indicate that you had
12 imposed a moratorium pending some clarification around the
13 policy, but what specifically has DISCO done differently
14 now from before as a result of the policy?

15 MR. MAROIS: Well like I mentioned, one of the first things
16 we did after the moratorium was we put the notice -- or
17 the mention in our notice that we would comply with the no
18 disconnect policy. So that was one thing.

19 We have added five days in the process to allow a customer
20 to go to FCS to get assessed, and that five days was set
21 in conjunction with FCS. We asked them how many days
22 would you require, is five days enough, and they said it
23 would be more than enough.

24 Then like we mentioned previously, we only have two people
25 in our contact centre that deal with them. So it's

2 pretty easy to ensure consistency in how we do deal with these
3 customers when they do get back to us. And essentially
4 these two employees have been instructed that when a
5 customer has gone through the process of going to FCS that
6 they will work with the customer to avoid disconnect
7 during the winter period.

8 Q.498 - But they have now been rejected by Family & Community
9 Services, they come to DISCO. So that five day period is
10 past. You have indicated that there is two people and I'm
11 assuming that there has always been two positions at DISCO
12 to deal with accounts that are facing disconnect, am I
13 correct in that assumption?

14 MR. MAROIS: Over the past year that we have introduced this
15 approach of only having two people deal with disconnects.

16 Q.499 - So that approach was in place before the new policy?

17 A. Yes.

18 Q.500 - So what is different now? I had understood that there
19 was a willingness when an account facing disconnect that
20 DISCO has traditionally worked with the customer to try
21 and work out a payment plan. What is new or innovative or
22 different from your past practice?

23 MR. MAROIS: Well -- and I think I mentioned this yesterday.
24 First of all there is no radical change. And I think
25 that was one of the revelations the minister had when he

1 came

2 - 248 - Cross by Ms. Desmond -

3 to us and started to understand what was done. He was I guess
4 pleasantly surprised with the empathy and compassion we
5 showed to our customers. I mean we really bent over
6 backwards to avoid disconnect. Disconnect is the last
7 resort. And the numbers prove it.

8 I mean at the end of the day, 5,000 customers disconnected
9 can seem like a lot, but I mean, compared to 300,000
10 customers it's 1.7 percent. And what is interesting to
11 understand too is out of those 5,000, 3,000 end up paying.

12 So really you are talking about 2,000 customers that are
13 disconnected for all practical purposes.

14 And really we are already bending backwards. I guess we
15 are bending backwards even more so. So in the sense that
16 a customer that has gone through FCS will for all
17 practical purposes not get disconnected during the winter
18 period.

19 Q.501 - So what I have heard you say is that if they don't
20 qualify to FCS and they come back, it's the policy now
21 that they would not face disconnect.

22 MR. MAROIS: As long as they keep working with us. We are
23 going to be extremely flexible. We believe deep down that
24 it's to the customer's benefit to keep on making
25 instalments. So what -- we are still going to try to get

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2 an instalment plan but we are going to be -- we are going to
3 be as flexible as required in establishing the instalment
4 plan.

5 Q.502 - I don't mean to be particular, but I'm just trying to
6 get a sense of what working with you means now versus what
7 it meant last year?

8 MR. MAROIS: Well I guess what I am saying is unless the
9 customer is not willing to work with us he won't get
10 disconnected during the winter period. So it is hard to
11 be clearer than that. I mean the -- we are going a step
12 further than we went before because before at one point in
13 time we would have been faced with a very hard decision of
14 disconnecting. Now I mean the likelihood that we will not
15 be disconnecting during winter periods. But the question
16 -- it's a shade of grey. Like I say we were already in my
17 mind being very compassionate, now we are going to extreme
18 compassion.

19 Q.503 - And I appreciate that you have added that
20 clarification, and I just wonder if I could bring your
21 attention to the VCSJ IR-1. You have indicated that you
22 have been extremely compassionate, but when I look at
23 table 1 for 2005 through the winter months, the number of
24 disconnects in 2005/2006 is significantly higher than in
25 previous years, and I'm wondering if you might offer some

2 explanation for that.

3 MR. MAROIS: The main reason why the number went up is last
4 year we tried to be more lenient in collecting security
5 deposits. So we had new customers come on line and we
6 billed them for a security deposit rather than collecting
7 them up front. And in many circumstances it backfired and
8 they weren't paying their security deposit. So we had to
9 disconnect them to get the payment. So that brought these
10 numbers up significantly.

11 Q.504 - You would agree that the number of disconnects for
12 last year were significantly higher than in previous
13 years?

14 MR. MAROIS: Well not overall. I presume you are talking --

15 Q.505 - December through March.

16 MR. MAROIS: Yes, they were. They are still though the
17 lowest months of the year.

18 Q.506 - Another point of clarification. PUB IR-1. Sub-
19 question 2 you were asked with respect to the disconnected
20 accounts, how many were reconnected. And in your response
21 you indicate you do not track the information. But your
22 estimates are fairly precise. So my question is how is it
23 that you were able to estimate to that particular level if
24 you don't track the information?

25 MS. ARSENAULT: We estimated the days based on a report that

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we ran that is not designed to track disconnects and subsequent reconnects. And so although the estimates may look precise they were definitely estimates based on the report that we modified, and we didn't have any comparable data available and we would have actually looked at the report to see if we could further utilize it and see if comparable data could be utilized. And so further analysis would need to be required to validate that data.

Q.507 - Thank you. PUB IR-4. And this speaks to the arrears fund and I know Mr. Peacock had asked you about the possibility of an arrears fund being established to help those low income families that need assistance in paying their electricity bill.

And I believe Mr. Marois had indicated that it would take a lot of work and a lot of discussions with respect to how it would be funded, who would qualify. But my question is what are DISCO's plans with respect to developing such a third party program?

MR. MAROIS: We don't have any plans at this stage. I believe what I indicated in my mind being a Crown corporation I would expect the lead to come from the province, because I believe this is a policy matter.

Q.508 - Is it correct that in some cases the current practice is not documented in the RSP manual?

2 MR. MAROIS: Can you give an example, please?

3 Q.509 - Well earlier this afternoon I believe Mr. Hyslop asked
4 about when a security deposit is not required, and I
5 believe that the evidence was that there are situations
6 where it would not be required but it's not enumerated
7 specifically in the manual.

8 And perhaps it was Mr. Larlee who said that the manual had
9 sort of the minimum guidelines but there were other
10 options. So is it fair then that the practice is not
11 always documented in the manual.

12 MR. LARLEE: I think I touched on it this morning.

13 Sometimes there is a lag between practice and what gets in
14 the manual, particularly in the case when the practice is
15 less restrictive than what is in the manual. And as well
16 there is always a judgment call to a certain degree on
17 what really is policy and what is procedure.

18 Q.510 - But in cases then where the lag happens, are the
19 customer service reps made aware of the current practice,
20 and how are they made aware?

21 MS. ARSENAULT: If I can use the example of the credit check
22 that is part of our training material. So it's
23 communicated to the customer service reps through
24 training, as well through broadcast information through
25 e-mail that we have for the agents. So either through

2 training material within the procedure or as well as an update
3 to -- via e-mail to the customer service representatives.

4 Q.511 - And actually that was the example I was thinking of,
5 because if it's in the training manual, why is it that
6 it's six years later before it's amended in the RSP? Why
7 not just update the RSP manual in a timely manner to
8 reflect the current practice?

9 MR. LARLEE: I think the key point here is that it doesn't
10 contravene anything that is in the RSP manual. So
11 obviously the flag was never raised that, you know, there
12 is a practice out there that needs to be reflected in the
13 RSP manual because it's not a direct contravention of
14 anything that is in the manual. Yes, the manual could
15 contain more detail on this particular -- this particular
16 procedure, but I don't see it as a direct contravention to
17 anything that is stated there.

18 Q.512 - I'm not suggesting, Mr. Larlee, it's in contravention,
19 but if a customer is going to pick up the RSP manual and
20 wonder, you know, in what instances -- you know -- what
21 options do they have, and that's clearly an option that
22 has been developed, the customer doesn't have information
23 on that option. Why not simply update it in a timely
24 fashion?

2 MR. LARLEE: I guess the only thing I can say is we can
3 always communicate better. So it's a question of making
4 sure everyone knows everything and I can honestly say I
5 didn't know we were using this option until very, very
6 recently.

7 Q.513 - Thank you. Can I draw your attention to the RSP E-2.

8 And just the last paragraph, the last few lines in that
9 paragraph. It talks about the return of the security
10 deposit and I'm just seeking some clarification around
11 that to determine what is a satisfactory payment history
12 that would allow for the return of the security deposit.
13 So if as an example a customer over a 12 month period has
14 been late paying in a few instances, does that delay the
15 return of the deposit? How is that determined?

16 MS. ARSENAULT: The satisfactory payment history or as it
17 relates here is used within our system when we have our
18 credit scoring. So we have determined that a certain
19 scoring level or anything below that certain scoring level
20 would be automatically refunded. So in the scenario that
21 you have put me through that would not constitute a
22 situation where it would not be a satisfactory payment.
23 So in that case the customer would be refunded.

24 Q.514 - So I take from your answer that there are specific
25 guidelines around how to determine that satisfactory

2 payment history?

3 MS. ARSENAULT: Yes, there is.

4 CHAIRMAN: Ms. Desmond, would this be a good time to take a
5 break.

6 MS. DESMOND: Sure. Thank you.

7 CHAIRMAN: We will take a ten minute break. Thank you.

8 (Recess - 3:30 p.m. - 3:40 p.m.)

9 CHAIRMAN: Well at the break we were discussing the rest of
10 the timetable. And Ms. Desmond has an hour or so of
11 questions so that would put us through until 5:00 which
12 would be too close to -- and I know the Panel has some
13 questions. So what we will do is we will close for the
14 day and be back here at 9:15 tomorrow morning.

15 Ms. Desmond can finish off her cross-examining and the
16 Panel has some questions. Then we will take a break and
17 then go into closing summations.

18 MR. MORRISON: Mr. Chairman, we can deal with this in the
19 morning. I know everyone is tired. There is a couple of
20 undertaking responses but let's wait and do it in the
21 morning. It will only take five minutes.

22 CHAIRMAN: Yes. Why don't we do it in the morning. That is
23 not going to hold up the process too long so. So then we
24 have tonight at 7:00. So we have tonight so tomorrow
25 morning for 9:15 we will continue on with the hearing.

2 Thank you.

3 (Adjourned - 3:45 p.m. - 7:00 p.m)

4 CHAIRMAN: Good evening. Welcome to the second public
5 session on customer service policies of NB Power
6 Distribution and Customer Service.

7 My name is David Nelson and I am the Chair of the Public
8 Utilities Board. The Board has organized this session to
9 hear from people or organizations about the customer
10 service policies of the company.

11 This is a public review of these polices in more than a
12 decade and we view the input you will be offering. At the
13 same time I remind you that the portion of this hearing
14 that deals with specific rates is complete. And so we ask
15 that you limit your comments to issues regarding customer
16 service.

17 With that I can begin. The first on the agenda is the
18 Common Front for Social Justice. If you could please
19 introduce yourself?

20 MS. MCCAUSTLIN: Is this on?

21 CHAIRMAN: Yes. Just the little red button there.

22 MS. MCCAUSTLIN: Yes. I am Linda McCaustlin from the Common
23 Front for Social Justice. And on behalf of the Common
24 Front for Social Justice of New Brunswick, I want to thank
25 the Board of Commissioners of Public Utilities

2 for its invitation to comment on the customer service policies
3 of NB Power.

4 As an anti-poverty group, the Common Front for Social
5 Justice of New Brunswick is dedicated to promote a more
6 human New Brunswick society, based on the respect and
7 dignity of everyone. Tonight we would like to get your
8 attention on the security deposit policy of NB Power and its
9 impact on the people living in poverty.

10 The customer service policies of NB Power say that a
11 security deposit is required from customers with an
12 unsatisfactory payment history with NB Power. The text of
13 the policy specify that, "A security deposit when
14 required, must be paid before service is provided(..)The
15 amount of the security deposit for all
16 Applicants/Customers is the greater of two average
17 operating months, estimated billing or \$100."

18 It may seem normal at first sight for a private company as
19 NB Power to ask for a security deposit for someone who has
20 been disconnected because he or she didn't pay his or her
21 electricity bills. NB Power is a private company, its
22 goal is to make profits and the members of the Common
23 Front are very aware of that.

24 But NB Power is also a public service company, and for
25 that reason, we would like to see some changes in the

2 security deposit policy. We will illustrate our point of view
3 by telling a true story that just happened a few weeks ago
4 in the Moncton area.

5 Here is a story of George. George works part-time in a
6 store. He earns 6.90 an hour and works 30 hours a week.
7 His gross income is around 1,050 per month. Last winter
8 George had a big debt with NB Power. He owed more than
9 700 for electricity and heat. After paying his debt with
10 NB Power, considering it was too expensive to heat his
11 apartment, and that he wouldn't be able to meet his needs
12 again this winter, George moved and found a new apartment
13 last October.

14 Unfortunately, because of his bad credit history, NB Power
15 asked George for a two-month security deposit of 300.
16 That means that George had to give out 300 out of his
17 pocket, which he didn't have, to be allowed to get
18 connected in his new apartment.

19 George contacted the common front with his problem just a
20 few weeks ago. There was nothing we could do, because it
21 is a policy of NB Power, and a private company is free to
22 make its own policies. A few weeks after, we tried to
23 contact George again. But we lost his mark. We have
24 heard he lost his apartment and was on the street. We
25 don't know if he managed to get the money NB Power was

2 asking or not.

3 We are aware that NB Power decided recently that nobody
4 will be disconnected during the winter months if they don't
5 pay their bill. It is good news. But we are afraid that the
6 problem will remain entirely after winter. What will happen
7 when people get disconnected after winter season? Or if they
8 move from an apartment to another one, trying to reduce their
9 electricity bills? How will they be able to get connected
10 again with this two-month security deposit policy?

11 We would like NB Power to be aware that the generous
12 policy about not disconnecting people during the winter
13 may not help them at all if there is no possibility for
14 them to be reconnected after winter.

15 Consequently, the proposal of the Common Front for Social
16 Justice is to give up the security deposit policy, to give
17 access to the equalized billing policy for people who had
18 previously unsatisfactory payment history.

19 For my part, I live in poverty myself and I recently
20 moved. I want to tell you I wouldn't have been able to
21 move anywhere else if I hadn't sold the house for the
22 money, for \$330 deposit, I was not disconnected, but I had
23 to pay this because each month I would have to miss my
24 payments, because they only give a certain amount and I

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heated my house with oil. Only low-income people are penalized with this deposit, because everybody else has the money to pay their bills. In our opinion this arrangement will help the company and be less harmful for the clients living in extreme poverty.

Thank you for listening.

CHAIRMAN: Thank you for your presentation. And these are some of the issues we have been dealing with in the last two days. If there is anything else or any other comments you would like to make at this point?

MS. MCCAUSTLIN: No, I just wanted to put that across, it's very high.

CHAIRMAN: Yes.

MS. MCCAUSTLIN: For people on low income, they can't pay the deposit and the balance to get connected. It's very high. I have never had to pay that in my life.

CHAIRMAN: Thank you very much. The Town of Rothesay.

MS. DRESCHER: Good evening, Mr. Chairman, Board Members. It's an uncommon seat for me. I will try my best.

CHAIRMAN: Ms. Drescher used to be a Board employee. So was a Board employee at one time.

MS. DRESCHER: Mr. Chairman, Members of the Board, Board Staff and NB Power, my name is Gay Drescher and I am here representing the Municipality of Rothesay.

2 I would like to highlight two issues for you this evening.

3 But before I do that, I would like to place Rothesay into
4 context for you.

5 Rothesay is situated along the Kennebecasis River. It is
6 renowned for its stately homes and stately trees. It is
7 expanding in terms of its development. We have had 40 new
8 housing starts in 2006 valued at over \$13 million. The
9 next few years will see continued growth in the existing
10 subdivisions which will see build out and new areas will
11 be developed as well. In particular around the golf
12 course, Riverside golf course.

13 In 2007, we have a high end garden home construction
14 planned, which will be a new subdivision and the
15 subdivision will be filed in January. We anticipate
16 development of over 400 acres over the next five years as
17 well.

18 The area -- this particular area of 400 acres has an
19 unencumbered view of the river and will be considered
20 prime real estate at the time of development. It will
21 incorporate sustainable development principles in land use
22 planning and implementing energy efficiency opportunities
23 where possible in terms of siting of buildings and taking
24 advantage of the natural topography.

25 So the first issue that I would like to bring to your

1 attention is in relation to subdivision development. NB Power
2 has recently instituted a policy. And it is recent to
3 Rothesay. It's not necessarily recent to their activities
4 in the rest of the province. Has recently instituted a
5 policy of taking 5 meter wide easements both sides of the
6 public road right of way regardless of where the overhead
7 lines or the infrastructure is placed. This represents 16
8 feet either side of the road right of way. The overhead
9 wires are typically within the first 3 feet of the
10 property line, so adjacent to the public road right of
11 way.
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13 This means that NB Power is taking an additional 13 feet
14 where the wires are and 16 feet if there are no wires. We
15 question the need for these additional 13 feet. In
16 questioning NB Power, we have been advised that they
17 require that for safety reasons. However, up until
18 recently they made due with taking the easements around
19 anchor wires and along poles where necessary.

20 In terms of the subdivision development itself, this means
21 that property owners of a particular lot have a limited
22 use of the first 16 feet because it is an easement and NB
23 Power has the opportunity to maintain that easement where
24 they need it.

25 Our zoning bylaw requires that a setback distance from
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the front property line for the dwelling has to be no less than 25 feet. So what this means is that a homeowner actually only has the 9 feet available to them in order to be able to plant or be able to do something without the risk of having it removed.

We feel that this is a hinderance to homeowners and to property owners and goes against what we are trying to establish in the town, which is to maintain the stately home appearance and the stately treescape.

For the municipality this is also an issue for us for the placement of street trees. In subdivision development, we require developers to place street trees along the street line so that we can continue this visual streetscape that has already been established through history. By placing these street trees, we put them as close to the public road right of way as we can or require that as close to the public road right of way as we can. And as you can see, as I am leading up to, these trees are also at risk from this easement and the opportunities that are afforded to NB Power through this easement. I would like to add that the trees are generally expensive. They cost about \$500 apiece, and they go into the Town's ownership once the development has been completed.

Now what opportunity is there for us? And this has

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been suggested by NB Power itself, is we could meet with the NB Power representatives in the local region each and every time to negotiate a better easement. Is this feasible? Is this an efficient use of energy on both parties?

The next issue that I would like to highlight is with respect to underground wiring. I have read, as I am sure you have as well, the Public Intervenor's IR and the responses with respect to underground wiring, a scenario was put forward.

We have heard some explanation from NB Power about why underground wiring is not desirable and we can certainly appreciate their concerns. However, we still do have concerns ourselves. Underground wiring for a municipality such as ours is preferable. Again to maintain the quality of the visibility, the visual impact of the river itself, so that it is unencumbered by seeing power lines as you are driving along the Kennebecasis River.

For the issue that we have identified is that the construction costs for underground wiring is 10 times greater than that for overhead wiring. And these total construction costs are typically born by the developer. In underground -- sorry, in overhead wiring, the developer has the opportunity to receive a refund of his customer

1 contribution if he has take-up in the first five years. So
2 the overhead wires are strong and as he brings his
3 subdivision on-line, he is entitled to receive a refund.
4 That is overhead wiring. This same refund opportunity is
5 not afforded to him for underground wiring. Is this
6 equitable? To us, as we are a municipality trying to
7 encourage underground wiring and trying to encourage the
8 best opportunities for the subdivisions, we see this as an
9 inherent bias for overhead wiring.
10

11 We question the apparent reluctance given that underground
12 wiring is common in other jurisdictions, for example,
13 Ontario. And we question also the rationale with respect
14 to front heaves and bedrock and encountering difficulties
15 in the terrain. As we have seen it is possible in other
16 jurisdictions.

17 We do suggest that the Board has the mandate to question
18 this further, as this is clearly a function of costs and
19 how the costs should be allocated.

20 And that concludes my comments. Thank you very much.

21 COMMISSIONER LEBLANC-BIRD: I just have a question about the
22 easement in the placement of trees. You are indicating
23 that the street scape has trees now in Rothesay that you
24 would like to continue, or the town would like to
25 continue?
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MS. DRESCHER: That's correct.

COMMISSIONER LEBLANC-BIRD: But if the easement is running along the front of the properties on both sides of the public roadway, where would the trees go that would sit within that easement even if it was a smaller easement than --

MS. DRESCHER: We would have been able to place the trees.

In history so far the easement has not been continuous along the street front. The easement has only been taken around anchor wires and poles. So the small sections as you are going along a street front in terms of looking at the subdivision in plan view you would see little bump outs which would be the easement having been surveyed out for the poles and the anchor wires. Now it's a continuous strip along there.

So in history in previous times we have been able to place the street trees along the public road right-of-way because there was no easement encumbrance there. But now we can no longer do that without having a concern for the viability of the trees continuance.

COMMISSIONER LEBLANC-BIRD: When you are speaking about the easements going along the lots, would those be lots that would be subdivided recently or would those be lots that would be part of a piecemeal conveyance of property from

2 different owners?

3 MS. DRESCHER: No. It's in subdivisions and new
4 subdivisions as of January 2006 this practice has come
5 forward.

6 COMMISSIONER LEBLANC-BIRD: I see a fair amount of
7 subdivision plans creating lots and it would appear in my
8 experience that there has been a lot of -- the work that
9 is done, the easements are placed on the subdivision plans
10 and they are done in accordance with a certain distance,
11 and they are put on all the lots that would be along a
12 certain public roadway. So it has been different in
13 Rothesay, that's what you are indicating to us?

14 MS. DRESCHER: Yes.

15 COMMISSIONER LEBLANC-BIRD: Is that something that was
16 negotiated with the power commission in times past on a
17 case by case basis?

18 MS. DRESCHER: No. We were advised in January when we first
19 saw this, when one of the first subdivisions came through,
20 we were advised at that time and we questioned it that
21 this had been the practice everywhere else in the province
22 and was only new to the southern region. For whatever
23 reason we are not sure.

24 COMMISSIONER LEBLANC-BIRD: Thank you.

25 COMMISSIONER BELL: Did the power company explain to you the

2 rationale why they wouldn't allow rebates to the contractors
3 for the underground service?

4 MS. DRESCHER: No, they did not provide a rationale. They
5 did indicate however in conversation that this practice
6 had changed through policy change some time in early 2000
7 where the underground wiring rebate was taken out of the
8 policy and was just not offered any more. And so we
9 questioned why it was still in the overhead system and
10 there was no real response given to that.

11 COMMISSIONER BELL: Thank you.

12 COMMISSIONER FERGUSON SONIER: Ms. Drescher, what would be
13 the recommendation that you would -- that would allow
14 Rothesay to go along with your projects?

15 MS. DRESCHER: We have two options. One is we could take
16 out the street tree opportunities that we require as a
17 town to maintain street trees and just not have it any
18 more, and that would in my view as development -- the
19 person responsible for development in the town, that would
20 seriously hinder the beauty of the town.

21 The other option is that NB Power recognize the need for -
22 - to maintain the beauty of these communities and
23 recognize the need to take the easements in a more
24 reasonable fashion perhaps -- I'm saying a more reasonable
25 fashion, they may not agree with that, but in a fashion

2 that would recognize homeowner's needs and municipality's
3 needs.

4 COMMISSIONER TINGLEY: Hi, Gay. It's nice to see you again.

5 The 16 foot easement, is there any way to negotiate -- or
6 how much actual space do the underground lines take?

7 MS. DRESCHER: The underground lines probably fall within
8 the same distance requirements as the overhead lines,
9 although there is a lot of additional construction
10 associated with it because they are encased in concrete.

11 COMMISSIONER TINGLEY: Sure.

12 MS. DRESCHER: And you have from time to time these units
13 that are above ground which are there for access and --

14 COMMISSIONER TINGLEY: Right. Exactly. I understand that.

15 But it would seem to me that you have still got 13 feet
16 where you would normally have had a nice big tree that you
17 would have to cut, so you are not having that any more.

18 It would seem to me that it would be sort of an advantage
19 to go underground to the utility.

20 MS. DRESCHER: It would certainly enhance the streetscape to
21 have power -- that plant go underground, yes.

22 COMMISSIONER TINGLEY: Yes. Just a comment, but it would
23 seem to me that there would be enough room to access even
24 though you might dig up part of the easement you could
25 perhaps avoid -- you know -- have at least the tree within
26

2 that 16 feet even though it may be on the edge of it and still
3 have -- you know -- keep your landscape and so on.

4 CHAIRMAN: Thank you very much for coming tonight.

5 MS. DRESCHER: Thank you.

6 CHAIRMAN: Saint John Community Loan Fund?

7 MR. ASIMAKOS: My name is Seth Asimakos. I am the General
8 Manager of the Saint John Community Loan Fund. I do have
9 copies of the brief that I am presenting here, so --

10 CHAIRMAN: If you would like to leave it with the Secretary.

11 MR. ASIMAKOS: First of all my points are -- and I thank the
12 PUB for the opportunity to present these issues. My
13 points are as much for the PUB and NB Power as it is for
14 Saint John Energy which is also watching I think.
15 First of all, to make you aware of the issues encountered
16 by individuals living on low incomes and how rates,
17 recovery of arrears and policies on equalized billing
18 affects these individuals and families.

19 The Saint John Community Loan Fund makes loans and
20 provides training to people on low income to create
21 income, build assets and become more self-reliant.
22 We do this by delivering loans for business start-up, for
23 getting back to work and for shelter needs. We also
24 provide training around business planning and in financial
25 literacy.

2 We operate mostly in Saint John and therefore Saint John
3 Energy is the primary provider of electricity, but my
4 comments here provide some lessons that may transfer to NB
5 Power as well.

6 Some of the things we do to help people with issues around
7 energy include providing training in money management and
8 budgeting, promoting equalized billing payments to our
9 borrowers on a very direct manner -- in a very direct
10 manner. We also have that in our manual that we use for
11 budgeting. We provide loans to help people with arrears
12 and we provide loans to help people with hook-ups.

13 In the last two years we have had over 250 inquiries for
14 shelter related loans, 50 were for help with hydro. So 20
15 percent.

16 We have many stories like the one that you heard about
17 George. We -- that's the type of person we would lend to.

18 And just to make you aware, we do not advertise. We get
19 most of our clients through referrals. We don't market,
20 so it could be many -- much higher the number of people
21 that come to us.

22 But here is another example of how energy costs and
23 policies cross-cut with the loan fund and one borrower.

24 We will call this person Miranda. The day she was to
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start school her hydro was disconnected. Her husband worked but didn't make a lot of money and she wasn't sure what to do. She was afraid that Family & Community Services would find out and take her daughter from her. She applied for a loan with us, which took a couple of days to process. She was able to get the funds to have her hydro restored.

On our recommendation she moved to an apartment that was heat included. Since she lost a lot of her refrigerated food we referred her to the Salvation Army who helped her out with food and vouchers and so on. Miranda will be paying off her loan to us in January and she is still in school.

One of the big issues in Saint John is that people do not have access to equalized billing from the outset, which is a huge issue and it has already been stated, but I just wanted to restate the fact that the people who really need it, the people who have very thin cash flows, don't have access to it.

We need that. People -- I mean, it's common sense. If you have the same expense each month it's a lot easier to pay than one that balloons to 200 or 300 in one month and then goes down to, you know, 50 bucks in another month.

We also question the hook-up fee. Both of these

1 policies create barriers to people on low incomes.

2 They also limit choices of apartments because of where
3 they can go. If landlords include heat in their rent,
4 then that's probably a better choice right off the bat.
5 Often those are better apartments and sometimes they are a
6 little costlier too though.

7 We have three recommendations. We recommend equalized
8 billing from the outset to prevent peaks and valleys in
9 the budgets of people who have thin cash flows.

10 We recommend providing some form of financial management
11 support to people at risk.

12 We also recommend that instead of incurring the high cost
13 of recovery on overdue accounts and lessening the rate of
14 cut offs, that a third party be provided with a fund to
15 provide a loan mechanism to those in arrears to help them
16 pay back. With a strong after care model of financial
17 management support and a policy of equalized billing, both
18 the energy company and the client will be better served.

19 As a non-profit and charitable organization with nine
20 years of experience in lending, training and support, the
21 Saint John Community Loan Fund is suited for such a
22 partnership. Our loan pool is built entirely from
23 investments made to us by individuals in our community.
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And I just wanted to make sure you know that we have 100 percent repayment to those people that lend us money. We have never lost one of those investments. One of the other issues is just before I end is that we are a lot more flexible. Our amortization can be drawn out longer, so that a payment plan can meet the needs of the client. And again the importance of after-care, providing the other support that hopefully builds the skills so that that doesn't happen.

And that's it. Thank you for your time.

COMMISSIONER TINGLEY: I'm curious, sir. I have never heard of your organization before, so just a little bit of -- are you funded independently of government or --

MR. ASIMAKOS: We have basically three pools that we have to manage. One is our loan pool, so people lend us money. That's totally non-government money. We have to -- like any financial institution we have to have a loan loss reserve, and with that again is non-government money that we generate through fees and people making donations to us. And our operating money basically comes from 15 different revenue streams, social enterprise that we run on our own, some contract for service, foundations in and outside of New Brunswick.

The fact is that this type of lending people don't do

2 because it does cost, but in a region that now we are I guess
3 welcoming both the New Brunswick -- the business council
4 is suggesting that we have to really change this idea of
5 the culture and the can-do idea of entrepreneurship and so
6 on, that you have to support that from the ground up.
7 And that's basically what we do.

8 COMMISSIONER TINGLEY: Very good. And did I understand that
9 in Saint John you can't get equalized billing?

10 MR. ASIMAKOS: Only one time a year. In September.

11 COMMISSIONER TINGLEY: Pardon me?

12 MR. ASIMAKOS: In September, one time a year.

13 COMMISSIONER TINGLEY: No, but equalized billing over the
14 year --

15 MR. ASIMAKOS: Yes. You can sign up in September.

16 MR. TINGLEY: You can sign up in September?

17 MR. ASIMAKOS: Yes.

18 COMMISSIONER TINGLEY: But that's it?

19 MR. ASIMAKOS: That's it.

20 COMMISSIONER TINGLEY: Okay.

21 MR. ASIMAKOS: So my feeling is that doesn't make a hell of
22 a lot of sense. I think that you should be able to --
23 whenever you hook up you get signed up and it's based on
24 the past record as far as what that might be divided by 12
25 months.

2 COMMISSIONER TINGLEY: Thank you.

3 COMMISSIONER LEBLANC-BIRD: On that point I just wanted to
4 ask a question. I'm pretty certain with NB Power that you
5 can have equalized billing and join that program despite
6 the fact that it's not November or September. Am I
7 correct in my assumption of that? Okay.

8 I had a couple of questions. Is there any requirement for
9 the people who would be seeking assistance from your
10 organization that they would be receiving benefits from
11 Family & Community Services, or are there any people that
12 are seeking your assistance that are availing themselves
13 of benefits?

14 MR. ASIMAKOS: People come to us who are working poor and
15 who are on assistance. We lend to both, so --

16 COMMISSIONER LEBLANC-BIRD: You lend to both.

17 MR. ASIMAKOS: Yes.

18 COMMISSIONER LEBLANC-BIRD: And what is a typical
19 amortization period for a loan that somebody would take
20 out to catch up on their arrears in their power.

21 MR. ASIMAKOS: Really it's a case by case basis basically
22 depending on their cash flow. But, you know, in arrears
23 of three, four, \$500 it might -- depending. It could be
24 six months up to a year. We are piloting right now this
25 idea of helping people save as well, so that they don't

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2 face issues when they -- you know, if they are working and
3 they are on a contract basis and they are not covered by
4 health benefits and all that kind of stuff, that they have
5 some emergency fund there too to cover things.

6 And so what we have been doing is drawing out the
7 amortization, increasing the payment, so that they are
8 paying principal but they are also paying a small amount
9 to save. And a couple of people that we are doing that
10 with really like that idea, because the payment is the
11 same. It's just that we have drawn it out a bit longer.
12 So, you know, at the end they might have six, \$700 in
13 savings as well. So it's the whole idea of generating the
14 skills and the feeling that you can become more self-
15 reliant.

16 Obviously there is all kinds of issues about income and we
17 want to help people generate new income and more income as
18 well. But skills around money management and creating a
19 cash flow that has budgeted items in it that remain smooth
20 over 12 months of the year makes a hell of a lot of sense
21 to do it that way. That's what we try to do.

22 COMMISSIONER LEBLANC-BIRD: Of the 50 people that you spoke
23 of that did seek assistance with respect to power bills,
24 how many or what percentage of those people would have
25 been those who would have been -- already had their

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services terminated and they have been --

MR. ASIMAKOS: We have been very good in that we have developed a relationship and are able to -- some people have had theirs cut off and we have been able to get it back based on looking at an application and getting a loan out within a week. So we are developing that type of a relationship. And this is with Saint John Energy I have to say.

So we have had people that have had disconnections prior to the call. So, you know, I guess this provides another alternative for an energy company. Rather than look at the whole cost around recovery and arrears and that type of thing, then potentially having a fund and a partner that would administer a fund that would help people basically keep consistent payments and provide extra supports and -- you know -- it seems to make sense.

COMMISSIONER LEBLANC-BIRD: So partnering in some respects so that people would be aware that the service existed. When you said that most people came to you through referrals, are those referrals of other individuals who have had their power disconnected or are these people in government agencies that perhaps know of your service? I'm just curious of that.

MR. ASIMAKOS: It could be through people at Family &

2 Community Services. It could be people at the Salvation Army.

3 Any number of non-profits. We partner with probably 20
4 to deliver money matters to. So a lot of people are aware
5 of the fact that we do that in spite of the fact that we
6 don't necessarily advertise broadly.

7 COMMISSIONER LEBLANC-BIRD: And I have just one other
8 question. Where does this come from? It's something
9 that's brand new to me, I didn't know that this existed.
10 What was the genesis of this?

11 MR. ASIMAKOS: The genesis of the Saint John Community Loan
12 Fund? Basically it came about nine, ten years ago when we
13 were looking at issues of poverty and saying, well is
14 there a way to create -- rather than a knee-jerk reaction,
15 to try to create a pool that helps people build
16 opportunity or seek opportunity on their own, especially
17 around income generating opportunities.

18 The shelter loans and hydro -- related hydro arrear loans
19 and so on came about four or five years after that through
20 the Supporting Community Partnership Initiative, which is
21 around housing, and the community group in Saint John made
22 a recommendation that we set up a loan pool for damage
23 deposits and that became much more, telephone deposits,
24 hydro deposits, hydro arrears, you know, that type of
25 thing. So there is a huge need.

2 It's just how do we -- there is different ways to do it
3 and I believe that what we have is a way to help both
4 company -- an energy company as well as the people in a
5 more I guess skill building fashion. It does a lot more
6 than just I guess just penalize people for not being able
7 to pay.

8 COMMISSIONER LEBLANC-BIRD: Are you aware of other
9 organizations within New Brunswick that provide a similar
10 service?

11 MR. ASIMAKOS: We are the only community loan fund in
12 Atlantic Canada. So we are a member of the national
13 association of community loan funds and credit unions that
14 are doing this type of work. In the United States where
15 they have legislation that requires financial institutions
16 that put a certain amount of their profit into the
17 community, community loan funds are prevalent in every
18 state.

19 So it's an innovative idea that hasn't germinated
20 everywhere in Atlantic Canada, but certainly we are here
21 and it's starting to be recognized as an alternative, an
22 opportunity for people and not only for people as far as
23 loans but places where you can park an investment. So I
24 offer that to you too if you want to invest.

25 COMMISSIONER LEBLANC-BIRD: Thank you very much.

2 MR. ASIMAKOS: Thank you.

3 COMMISSIONER BELL: I just want to say congratulations for
4 penetrating the Saint John market and I encourage whatever
5 way you can to promote that same spirit of cooperation
6 between what is a charitable organization and something
7 with an entrepreneurial flare working together and still I
8 assume you maintain the loan losses to a reasonable level
9 so that you can sustain where you go with your service to
10 the community.

11 MR. ASIMOKOS: Mmmm.

12 COMMISSIONER BELL: So I encourage you in any way to promote
13 that same spirit in the other communities of the province
14 if you can. Thank you.

15 CHAIRMAN: Thank you very much for your presentation
16 tonight. Fredericton YM/YWCA? Ellen Wally? Gill
17 Moffatt? Is there anybody else in the room that would
18 like to make some comments as to the customer service
19 policies of NB Power Distribution Corporation?
20 I guess we are now then where we take five minutes, ten
21 minutes, see if anybody else arrives and then as we did
22 last night. So take ten minutes.

23 (Recess - 7:35 p.m. - 7:45 p.m.)

24 CHAIRMAN: I guess since we don't have any new participants
25 in the process or in the meeting tonight so I would like

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- 282 -

2 to thank everybody for attending the last two nights, that

3 have been here. And I guess we are adjourned until 9:15

4 tomorrow morning.

5 Thank you very much.

6 (Adjourned)