

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 4th 2006

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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

21 BOARD COUNSEL: Ellen Desmond

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23 BOARD STAFF: John Lawton
24 Doug Goss

25

26 BOARD SECRETARY: Lorraine Légère

27 ASSISTANT SECRETARY Juliette Savoie

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29 CHAIRMAN: Good morning. This hearing arises from the

30 application made by DISCO with respect to a request for a

31 change in its charges, rates and tolls. The original

32 application was made in March of 2005 but it was agreed

33 that this portion of the hearing, specifically the review

34 of customer service policies will be conducted after a

35 decision that had been issued on appropriate rates.

36 Could I have appearances please?

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MR. MORRISON: Good morning, Mr. Chairman, Commissioners.

Terry Morrison on behalf of the Applicant. And with me at
counsel table is Lori Clark and Mike Gorman. And our
witnesses Lynn Arsenault, Rock Marois, and Neil Larlee are
also present.

CHAIRMAN: Vibrant Communities?

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

CHAIRMAN: Good morning, Mr. Peacock. It is noted that Mr.
Peacock is on time today.

MR. PEACOCK: I should mention, ironically, Mr. Chair, this
is probably the first morning that my new born daughter
did not wake me up. So I didn't even have need for an
alarm.

CHAIRMAN: That is how keen you are to be here?

MR. PEACOCK: Yes, indeed.

CHAIRMAN: Informal? Municipal Utilities?

MR. YOUNG: Good morning, Mr. Chairman, Commissioners. Dana
Young for Utilities Municipal. And with me I have Dan
Dionne, Perth Andover Electric Light Commission, Mike
Couturier from Edmundston Energy, and Marta Kelly from
Saint John Energy.

CHAIRMAN: Thank you, Mr. Young. The Public Intervenor?

MR. HYSLOP: Good morning, Mr. Chairman. Peter Hyslop. And
with me are Ms. Power, Mr. O'Rourke and Greg Hegler.

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CHAIRMAN: Board Staff?

MS. DESMOND: Good morning, Mr. Chairman. Ellen Desmond as Board Counsel. And with me is Doug Goss and John Lawton.

CHAIRMAN: Thank you. Are there any preliminary matters?

MR. MORRISON: No, Mr. Chairman, there are not. There will be some after the witnesses are sworn in terms of corrections to the evidence.

CHAIRMAN: Do we have any exhibits to mark?

MR. HYSLOP: I have a document I think I was going to ask them to be marked for identification at the start of my cross-examination, Mr. Chair, with a motion to have them put into evidence at that time. Mr. Morrison will have comments at that time, but if you want to deal with the issue now we can deal with the issue now.

CHAIRMAN: Mr. Morrison?

MR. MORRISON: It is fine with me either way, Mr. Chairman.

CHAIRMAN: Mr. Young also?

MR. YOUNG: Mr. Chairman, I just have a letter of response to Vibrant Communities Saint John to their IR request.

CHAIRMAN: Do we mark it as an exhibit or -- where you are informal?

MR. YOUNG: Your discretion, Mr. Chairman. I had given copies to the Board Secretary.

CHAIRMAN: How about if we give it an ID number,

2 identification only?

3 MR. YOUNG: Okay.

4 CHAIRMAN: We will mark it ID-1.

5 MR. PEACOCK: Mr. Chair, Vibrant Community Saint John also
6 has a document we would like to submit. We shared it with
7 the Applicant electronically at about 2:00 a.m. this
8 morning and we have since I think prepared a few copies
9 for the Board as well.

10 CHAIRMAN: Well you fellows make our life interesting, don't
11 you. Does the Applicant have anything to say on that?

12 MR. MORRISON: Well, Mr. Chairman, I'm not going to object
13 to it going in, but it really -- I guess technically there
14 is some evidence in it although I would say the bulk of it
15 probably is in the form of submission and argument and the
16 Board did ask for submission, so I'm not going to take
17 exception to it, but there is a process for filing
18 evidence.

19 CHAIRMAN: All right. I think we will accept this as an
20 exhibit. Mr. Morrison is not really -- wants to argue to
21 any great extent.

22 MR. PEACOCK: Thank you, Mr. Chair.

23 CHAIRMAN: We will mark that VCSJ-1. I'm sorry. I have got
24 a cold today and I'm just sort of working on -- Mr.
25 Hyslop, shall we talk about what you want to enter as

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exhibits?

MR. HYSLOP: If it pleases the Board, I provided actual delivery of three documents, actually two documents, one of which is in two parts, to Mr. Morrison this morning. I made him aware on Friday of the existence of these documents and I think he had some idea from earlier conversations it was something that was coming. In fairness, I don't think he would have fully understood, because for a large part of the time we weren't quite sure what we were coming up with with regard to the final document that we prepared.

But the documents that I would propose to have entered as part of the record consist -- it's entitled A Comparative Analysis of Customer Service policies, and I think the word Analysis is a misnomer. It's a comparative description of customer service policies.

And what the document is is I have taken four or five different areas of customer service policies and I have cut and paste actual statutory law, actual regulations under those statutes and actual Board orders from New Brunswick, Nova Scotia, Maine, Quebec, Ontario, Manitoba, and all of those on the basis that I felt that they were either neighbouring jurisdictions or jurisdictions with similar climate.

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2 And I will be honest, I also added the State of Vermont,
3 which only through anecdotal conversations I hear is quite
4 a liberal state in terms of consumer protection. So with
5 one exception of Vermont, the other provinces and states
6 are comparative jurisdictions.

7 And for each of those policies we have cut and paste the
8 actual rules that apply in those jurisdictions to such
9 things as disconnect policy, to such things as connection
10 policy, to such things as deposit policy, to such things
11 as appeal procedures, and we put them in a binder for you.
12 There is also three or four documents which are examples
13 of what I would call consumer friendly letters or website
14 information in other jurisdictions that we may compare to
15 what NB Power has.

16 There is nothing in this by the way of analysis. I
17 haven't made comment. I haven't highlighted. I haven't
18 in any way tried to show strength and/or weaknesses of
19 different policies in different places. It's an
20 information document.

21 The reason it was prepared quite simply is I have a number
22 of questions, to which will be put and it will be along
23 the lines of are you aware that in the Province of Ontario
24 a deposit can be paid over four equal instalments?

25 Now if I ask that question and didn't have that

2 document, well, Mr. Hyslop, how do we know that that's the
3 policy in Ontario? This gives everybody a chance to read
4 exactly what the policy is. I mean you can go in and
5 maybe reinterpret wordings or whatever. But the idea of
6 this is to show what is happening in a number of other
7 similar jurisdictions throughout North America and what
8 happens in New Brunswick.

9 I would also like to add that in response to utilities IR
10 response PI customer service policy IR subsection 3, and
11 this is a question where do you consult outside of DISCO,
12 and the answer to the question is very simple.

13 It says, consultation outside of DISCO is limited to
14 reviewing practices of other utilities. And from their
15 very evidence they have put the practices in other
16 utilities on the record. And this is what this is. I'm
17 quite surprised if they are saying that their policies are
18 similar to other jurisdictions that they don't have a
19 binder something like it.

20 Mr. Morrison, I have some sympathy to the Applicant. This
21 was -- he actually received hard copies I think this
22 morning, although he was aware he had a large part of the
23 document electronically yesterday morning, and if he needs
24 more time to review it, I certainly would consent to that
25 being done if he feels that way.

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I'm not going to be flipping from page to page in this document, but some of the questions I ask, if it needs to be verified, the record will show that this will allow you to confirm the questions I'm asking are accurate or hopefully not inaccurate. I have taken great care to be accurate in the questions I put.

So it's those documents I wish to put on the record. The only other question, I don't think Mr. Morrison has a problem, is I have a couple of questions on the frequently asked questions part of the NB Power website and we did take the liberty of printing off the two pages of the FAQs on their website and I was going to have that introduced as a document during cross-examination.

So I think it's relevant and it's material, it's probative, it gives this Board some idea what is happening in other areas of North America. And on that basis, subject to any prejudice that might actually exist because of the short notice, the -- it should be part of the record of this hearing. But I'm not going to be flipping page to page in it.

CHAIRMAN: Mr. Morrison?

MR. MORRISON: Thank you, Mr. Chairman. A couple of comments on the document. I did receive the bulk of the document electronically yesterday, although there were

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appendices that weren't provided.

The document is about 75 pages long. I reviewed it after dinner last night and had some concerns about it. My main concern is this. I have no problem with the document being marked for identification and Mr. Hyslop putting all the questions that he wishes to put to the witnesses. I do have a problem with it being marked as evidence. There is a process for filing evidence. That process should be respected. I don't know because I haven't reviewed the document in detail to know whether I would have cross-examined on the documents or asked IRs on the document. I don't know.

The problem that I have with it becoming evidence -- for example, Mr. Hyslop gives an example of another jurisdiction which has a four week payment plan or whatever it is -- four month payment plan. On the face of it, that doesn't give the Board, yes, there is a policy somewhere that says that, but it doesn't give the Board any context of that policy.

Is that responding to a political situation, a government directive? Is it a market driven policy? So to put them on the record just to say these are policies in other jurisdictions without more I think could be

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2 misleading.

3 So I have no problem with Mr. Hyslop putting the questions
4 to the witnesses, having the document marked for
5 identification for that purpose, but I have a problem with
6 it becoming part of the evidential record.

7 CHAIRMAN: Putting the timing aside, is there anything in
8 the document -- I mean, is your client very much aware
9 what the other policies are?

10 MR. MORRISON: Our client has responded in the IR that Mr.
11 Hyslop referred to. When it goes to introduce a change to
12 the RSP policy it does canvass or makes inquiries of other
13 jurisdictions to see what -- are they doing something that
14 is on the margins or is it a commonly accepted practice
15 and policy.

16 That's done on a one by one basis. They have never done a
17 comprehensive analysis of every policy as compared to four
18 or five other jurisdictions. The witnesses will answer
19 the questions put by Mr. Hyslop, but you have to
20 appreciate that they saw document -- in Mr. Larlee's case
21 he saw part of it last night and he saw the rest of it
22 this morning. So --

23 CHAIRMAN: Mr. Hyslop?

24 MR. HYSLOP: Just one point of rebuttal. My friend makes
25 the argument that the reason for the policies or the

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2 statements in other jurisdictions is -- we don't have the
3 context in which they occur.

4 I think with regard to the one I referred to he says we
5 don't know if the four month period to pay the deposit is
6 a political consideration. Well why the policy is what it
7 is doesn't matter. What matters is what are the rules and
8 what are the rules -- how they got there, that's a red
9 herring, you know. The idea is what are the rules and
10 that's all these are, the rules in those other areas.

11 CHAIRMAN: Do you want to say something to that?

12 MR. MORRISON: I have nothing further to add, Mr. Chairman.

13 Thank you.

14 CHAIRMAN: We will just take five minutes and just go
15 outside here.

16 (Recess - 10:15 a.m. - 10:18 a.m.)

17 CHAIRMAN: We looked both in both your arguments and all and
18 we have decided that we will mark Mr. Hyslop's documents
19 for identification. And he can cross-examine the
20 witnesses, the witness panel on it.

21 MR. HYSLOP: What mark will we put on them just so that we
22 have the record, Mr. Chair?

23 CHAIRMAN: Which of the reports have we got? The
24 Comparative Analysis of Customer Service Policies, we mark
25 that ID-2.

2 MR. HYSLOP: The second one, Mr. Chair, because we ran out
3 of tabs at 10, but we can mark it as ID-3, I would
4 suggest.

5 CHAIRMAN: Okay. Central Vermont Public Service Corporation
6 Successor Service Quality and Reliability Performance
7 Monitoring and Reporting Plan, that would be ID-3.

8 MR. HYSLOP: Thank you.

9 MR. MORRISON: Mr. Chairman, I -- with respect to the
10 frequently asked questions, I have no objection with that
11 being marked as an exhibit, the frequently asked questions
12 piece, because that is an NB DISCO document.

13 CHAIRMAN: Okay. What about you, Mr. Hyslop? Frequently
14 asked questions?

15 MR. HYSLOP: Well, I am not worried one way or the other.
16 It just seems where it is an NB Power document it can go
17 on the record. But if it's statutory law from somewhere
18 else he is objecting. But whatever. If it is an exhibit
19 it is an exhibit, I don't have a problem.

20 CHAIRMAN: We will mark that ID-4. That is Frequently Asked
21 Questions of NB Power. Is there any other matters? Mr.
22 Morrison, would you like to introduce your panel?

23 MR. MORRISON: Thank you, Mr. Chairman. At this point I
24 would call Neil Larlee, Rock Marois and Lynn Arsenault to
25 the stand please?

2 CHAIRMAN: Would the Board Secretary swear them in?

3 Neil Larlee, Rock Marois and Lynn Arsenault, sworn:

4 CHAIRMAN: For the record, the Board secretary has sworn the
5 Panel. Mr. Morrison.

6 DIRECT EXAMINATION BY MR. MORRISON:

7 Q.1 - Ms. Arsenault, would you state your full name and your
8 position for the record, please?

9 MS. ARSENAULT: Lynn Arsenault, Director of retail and
10 customer marketing.

11 Q.2 - And, Mr. Marois, would you do likewise, please?

12 MR. MAROIS: Yes. My name is Rock Marois. I am Vice-
13 president distribution and customer service.

14 Q.3 - And, Mr. Larlee, would you state your name and position,
15 please?

16 MR. LARLEE: Neil Larlee. I am Manager of load forecasts
17 and regulatory studies.

18 Q.4 - And, Mr. Larlee, there are I believe some corrections to
19 the previously filed material relating to the responses to
20 interrogatories, is that correct?

21 MR. LARLEE: Yes, there are.

22 Q.5 - And could you please deal with -- I believe there are
23 two and one omission. Could you deal with the first one,
24 please?

25 CHAIRMAN: For the record, what is the binder number?

2 MR. MORRISON: It's exhibit A-4. And it's -- I will let you
3 get that out.

4 MR. LARLEE: Exhibit A-4, PI IR-10. In table 1.

5 MR. HYSLOP: I'm sorry, Mr. Chair. I didn't catch the IR
6 Mr. Larlee was referring to.

7 MR. LARLEE: PI IR-10. In table 1, under column 1, line 4,
8 the number is 1043. The correct number is 963.

9 The second revision is in PUB IR-1. In response to part 3
10 of PUB IR-1, in parenthesis it reads 292 residential
11 accounts. It should read 563 residential accounts.

12 MR. MORRISON: And finally, Mr. Chairman, there is one --
13 it's not a correction. It's actually an addition. In
14 exhibit A-5 there is an appendix that has all of -- what
15 was supposed to be all of the correspondence passing
16 between NB Power, DISCO and the PUB with respect to
17 changes in the RSP manual.

18 There was one set of correspondence which was not included
19 in that appendix. It did in fact go to the PUB, it just
20 was omitted when we filed the appendix. And copies have
21 been given to the Board secretary. There is no need for
22 that to be marked. It's just an addition. Just put it in
23 after the last page in appendix 1.

24 And, Mr. Chairman, there being no prefiled evidence

1 - 15 - Direct by Mr. Morrison -

2 perse other than the RSP manual in connection with this
3 matter, I believe it's now open for the Panel to be
4 subject to cross-examination.

5 CHAIRMAN: You have nothing further?

6 MR. MORRISON: Nothing further, Mr. Chairman.

7 CHAIRMAN: Mr. Peacock?

8 MR. PEACOCK: Mr. Chair, would you like me to move forward
9 or is this position appropriate?

10 CHAIRMAN: What is easier for you?

11 MR. PEACOCK: Probably if I stay here.

12 CHAIRMAN: Okay. Well you stay there then.

13 MR. PEACOCK: Thank you, Mr. Chair.

14 CROSS-EXAMINATION BY MR. PEACOCK:

15 Q.6 - I would like to thank the Applicant for appearing with
16 us here today. I should mention at the outset that since
17 we are at the tail end of this rather lengthy hearing I
18 plan to be quite gentle with the panel.

19 From our perspective the big issues have already been

20 debated and moving forward we only wish to see that the

21 Applicant provides the best possible customer service to

22 low income consumers. With that in mind, we expect that

23 DISCO heartily shares in this desire.

24 Our first set of questions deals with the annual number of

25 disconnects. Previous panels have made

2 reference to the balanced scorecard methodology utilized by
3 the Applicant in order to improve all aspects of corporate
4 performance. Does the panel know if the balanced
5 scorecard approach or any other form of assessment has
6 been applied to the number of disconnects?

7 MR. MAROIS: Good morning. The answer is no, because what
8 needs to be understood is disconnects are always a last
9 resort. Our objective is never, never to disconnect. Our
10 objective is always to collect. So the only scorecard
11 measure that we have that is related is tracking arrears,
12 because arrears is an early indicator of bad debt. So I
13 guess in the short is disconnects are truly something of a
14 last resort.

15 Q.7 - Does DISCO believe that the new government's protocol
16 regarding winter disconnections will reduce the annual
17 number of disconnects or have no effect, or does DISCO
18 have an opinion on this new policy?

19 MR. MAROIS: Well as you know, the government policy is for
20 no disconnects for legitimate economic needs during the
21 period of November to March, and this applies to the
22 residential customer class.

23 At this stage it is very difficult for me to try to
24 quantify what would be the impact of that on an annual
25 basis, but the policy is not to not disconnect but it's

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not to disconnect for legitimate needs during the winter period.

Q.8 - Actually on that point I believe that the Public Intervenor had an IR on the new policy, and the panel -- or the Applicant responded that the new policy is very much in flux and still under development. Is there anything new to report since the response to the IR?

MR. MAROIS: Yes, there is. You are correct. I mean, it was evolving and I believe it is still evolving.

First, I guess something I would like to say is when the new government policy was introduced we declared a self-imposed moratorium on doing residential disconnects until we were able to sort out the details. And what that has meant is we have worked closely to the government, mainly the Department of Energy and the Department of Family and Community Services to establish a process.

And in essence what has happened is the following, is I guess as a result one of the things we have done is we have modified one of our notice letters that is in the binder to include a paragraph stating that we intend on complying with the no disconnect policy for legitimate economic needs. And if you wish we can file this updated letter.

So that's one of the first things we did, to let the

1 customers know that the policy is in place.

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3 One of the other things we have done is we have added five
4 days to the process for customers that are prepared to go
5 to Family and Community Services to be assessed, because
6 one thing that we concluded with the province is that NB
7 Power would not be the one doing the assessment of
8 legitimate economic needs.

9 At the same time, Family and Community Services were not
10 able to introduce a different means of assessment that
11 they already have in place for their own program. So what
12 we have decided to do was that people wanted to avail of
13 this policy need to go to the province, to Family and
14 Community Services, get assessed by them, and then two
15 scenarios can happen.

16 One scenario is that they qualify for Family and Community
17 Services programs and defacto they are deemed to be in
18 economic legitimate needs from our perspective. So that
19 might be the easy outcome.

20 The other outcome is that somebody goes and gets assessed
21 by Family and Community Services but do not qualify under
22 their existing guidelines. But from our perspective just
23 the fact that they have gone to Family and Community
24 Services would qualify them as acting in good faith and we
25 will work with them to find a mutually

2 agreeable solution.

3 So in essence that's the process. And actually what this
4 process requires is that the customer is willing to go to
5 Family and Community Services but we believe that this is
6 consistent with the communication by government that
7 customers must be willing to share the fact that they are
8 in economic needs.

9 Q.9 - Thank you. I am delighted to hear the progress on that
10 file. Do you -- has DISCO in years past made assumptions
11 on the total number of disconnects in any given year as
12 part of your human resource debt management and budget
13 planning? Do you assume X number of disconnects will
14 possibly occur, or do you -- in order to essentially help
15 prepare your human resource needs, have you made
16 assumptions in the past?

17 MR. MAROIS: Not in terms of disconnects. When we do our
18 budgeting process what we have to budget for is the number
19 of bad -- the amount of bad debt, and that's really more
20 based on historical trends.

21 Q.10 - Okay. I know you had mentioned that disconnects of
22 course are of an absolute last resort for the utility and
23 you track the annual amount of arrears closely to see how
24 you can prevent the actual number of disconnects.
25 I'm just curious. In recent years as perhaps the

2 number of disconnects has been slowly increasing or the annual
3 amount of arrears, have you made any specific changes to
4 the customer service policy prior to the new government's
5 protocol, in essence in order to better manage essentially
6 bad debt I guess.

7 MR. MAROIS: Just before I answer, I believe there was a
8 similar question to that posed by the PUB so I just want
9 to make reference to it and then I can expand.

10 Q.11 - Okay. Yes, actually I think there was an IR that dealt
11 with changes to the Customer Service Manual so perhaps
12 that may be appropriate to examine that.

13 MR. MAROIS: This is just for reference. The question that
14 was posed was by PUB. It was question 3(2). And the
15 question was when was the last time that DISCO reviewed
16 and changed its methodology for issuing late payment
17 notices but that is part of the broader collection
18 practice.

19 And really the last big change was in '99 and that was as
20 a result maybe of a change of systems. That is when we
21 introduced our customer care system. Since then I would
22 say that it is more refinements.

23 Really I believe collection is not an easy thing to do.
24 It is even taboo in certain circumstances but
25 unfortunately it is an essential part of running a

2 business. And in my mind it is also an essential part of

3 treating your customers fairly and equitably because there
4 are some that do pay their bills on time and so for those
5 it is important that you treat them as such.

6 I would say that our emphasis is on keeping very close
7 attention to the collection process, to monitoring arrears
8 because there is a direct correlation between arrears --
9 well there is a direct correlation between the collection
10 process, arrears and bad debt. So one lead to the other
11 and I compare it to having your feet on the accelerator in
12 the car and as soon as you ease off on collection you know
13 that your arrears will go up and ultimately your bad debt
14 will go up.

15 That being said, we do fully recognize that electricity is
16 an essential service. So what I think we -- I believe we
17 have put the emphasis on over the past couple of years is
18 on training our people in their attitude on how they do
19 the collection process. Emphasis on empathy, dignity,
20 respect.

21 If you had a chance to go through the training material
22 that we filed in Appendix 3, it is modular training. And
23 you will see that we repeat over and over again those
24 attitude and those skillsets that we want our people to
25 have.

2 And we have even gone a step further. As you know, we
3 send written material to our customers, notices. And we
4 want to know what our customers felt about that. And we -
5 - so we mandated our communications firm to do what we
6 call a transitional survey. So people that have received
7 such a letter, they were contacted by our communications
8 firm to see how they felt.

9 And our communications firm almost said we are crazy. Why
10 would you do that. You are sending a notice and you want
11 to know how they -- but we still wanted to know the tone
12 because it is important.

13 And we were pleasantly surprised by the results of the
14 survey. So that gave us confidence that we have struck
15 the right balance between being responsible in how we
16 manage our business but also at the same time being caring
17 in how we do it.

18 And again, this is information we haven't filed, the
19 result of that survey. But we could if that is of
20 interest.

21 Q.12 - Well I don't know if perhaps the Board may appreciate
22 seeing that survey. I'm sure some of the other
23 intervenors here would probably find it of some interest.

24 If you desire, I would certainly welcome that the survey
25 be introduced.

2 MR. MAROIS: We would be pleased to do so.

3 Q.13 - Okay. One of our concerns, of course, related to issue
4 of customer service is that those residential customers
5 that are in our opinion most likely to be at risk of
6 disconnection or falling behind in arrears are generally
7 the same customers that are least likely to be able to
8 sign up to the equalized billing program.

9 And we were curious does the panel have an estimate of how
10 many residential customers say in the last fiscal year,
11 who were signed on to the equalized billing program in
12 fact -- and then disconnected? Is that in fact a common
13 occurrence? If you are on the equalized billing program
14 does it occur that these customers also are disconnected?
15 I think there was a roughly say 5,000 disconnects in the
16 last fiscal year. We are curious to see does the panel
17 have an estimate of how many of those disconnects were
18 participants in the equalized billing program.

19 MR. MAROIS: We don't have that information readily
20 available and I am not certain if we can generate it.

21 Q.14 - Oh really. Okay. I guess our follow-up was to
22 determine -- and perhaps you might be able to answer the
23 follow-up. After a disconnection and say a reconnection
24 occurs, is it fairly common that the customer then

2 immediately signs up to equalized billing?

3 Because you know, from our perspective, equalized billing
4 is a -- is a real benefit to low income households in
5 terms of helping them budget their winter load.

6 MR. MAROIS: Sorry, was your question in terms of the number
7 of customers that have expressed interest following a
8 disconnect?

9 Q.15 - Yes. Or have in fact been signed up to the equalized
10 billing program.

11 MR. MAROIS: Theoretically they could sign up. That is what
12 I was asking. We don't have some -- we don't have
13 statistics but the general feeling is that not many would
14 be -- would have shown an interest to sign up on equalized
15 billing.

16 Q.16 - Really.

17 MR. MAROIS: After being disconnected.

18 Q.17 - Now is -- well of course, I suppose you can't answer
19 for your customers but would you assume is it -- I would
20 be curious if the panel has an opinion as to why they
21 don't sign up.

22 MR. MAROIS: I don't know if I can answer your question
23 specifically but one thing that is interesting is we have
24 done some market research generally speaking because one
25 of the questions I have often had was what is the

2 potential in increasing the equal billing plan period. No
3 matter to whom but just increasing it.

4 And my recollection of the market research is that some
5 customers simply don't want it for personal reasons. They
6 either believe that at the end of the day it will end up
7 it is to our benefit so they will end up financing the
8 utility or something. So people have opinions as to the
9 merits of this.

10 The other thing too that I hear sometimes is people
11 prefer, for example, during the summer it is vacation,
12 people prefer freeing up their financial resources to take
13 advantage of that. So it is quite personal at the end of
14 the day.

15 Q.18 - Vibrant Communities is also curious about the arrears
16 repayment schedules that are developed and what
17 flexibilities or nuances are put into that program? We of
18 course have quite a bit of concern about the late payment
19 penalty. We are of the opinion that it is a bit -- it is
20 quite onerous on low income households.

21 Just for our information, I am sure that it is actually
22 stated in the manual, but when a customer agrees to a
23 repayment schedule of arrears, is the late payment penalty
24 automatically applied every month until the customer is
25 back in good standing? Or is it -- or

2 conversely, how often is that late payment penalty forgiven?

3 MR. MAROIS: The late payment charge under the instalment
4 plan gets applied to the outstanding balance each month.

5 Q.19 - Okay. And there are virtually no cases in which the
6 late payment charge is forgiven?

7 MR. MAROIS: Not in a situation like those.

8 Q.20 - Okay. Would DISCO consider reducing its late payment
9 charge if it knew that such a policy would ease the
10 economic burden facing low income households in the winter
11 months.

12 MR. MAROIS: Just as a general statement we support
13 assisting people that are in legitimate economic needs.
14 The big question I have is what is the best way of doing
15 it. I mean I know one of your questions will be on the
16 fund for example. So that's potentially one way.
17 Reducing the late payment charge could be another way.
18 In my mind over and -- once you have answered the
19 question, is this something you want to do to help people
20 that are in legitimate needs is how you do it, because at
21 the end of the day somebody else will end up paying for
22 it.

23 I mean currently we are recovering a certain amount of
24 money through late payment charges which are not even

2 enough to offset our collection costs. So I mean it's not a
3 money-making proposition. It's really an offsetting
4 factor.

5 So if you reduce that it would be just one other way of
6 funding a form of assistance program. So like I say,
7 generally speaking I believe it's a good thing to assist
8 people in need. I'm not certain I'm knowledgeable enough
9 to determine what would be the right way of doing it, for
10 example lowering late payment charges.

11 Q.21 - Okay. I guess I will move on to our second set of
12 questions, because I certainly appreciate that the panel
13 appears to have an open mind in terms of making changes,
14 moving forward, especially as future rate increases are
15 probable and there is a certain section of the population
16 that may be at a growing risk.

17 I guess our second set of questions deal with what we see
18 as the link between customer arrears and residential
19 inefficiency. A lot of the individual we are meant to
20 serve in the greater Saint John area are found in older
21 homes, either in the suburbs or in the city centre in
22 which of course they are served by the municipal utility.
23 But these homes are generally less efficient and the
24 tenants or owners of those homes are paying more because
25 they happen to rent a home that is residentially

2 inefficient.

3 So we of course had asked a few IRs trying to determine if
4 there were any patterns in the annual disconnects,
5 comparing repeat customers that have been disconnected
6 versus repeat residential premises.

7 And we were surprised to see that there seems to be a
8 stronger correlation in terms of the number of repeat
9 disconnects classified by premise versus classified by
10 customers. Are we correct in making that assumption, that
11 that phenomena does indeed appear to be occurring, that if
12 there are -- if a repeat disconnect does occur there is
13 perhaps a slightly greater chance that it's at the same
14 house than it is with the same customer?

15 MS. ARSENAULT: Your assumption or your review is correct.

16 There appears to be a higher number of premises, although
17 we don't know if it's the same customer in some instances.

18 Q.22 - Okay. In those -- now in those premises or customers
19 in which there have been repeat disconnections over the
20 period of five years, have these files been essentially
21 flagged for your energy advisor service or any other
22 service in which some proactive intervention may be of
23 some use?

24 MS. ARSENAULT: We do offer in instances to the customer if
25 they are willing to have one of our energy advisors visit

2 their premise, or provide tips on conservation, that would
3 lead to potentially a higher consumption in their
4 dwelling. We do offer that free service to the -- you
5 know -- either the tenant or the resident itself to
6 provide tips.

7 Q.23 - And now that is of course across the Board, but in
8 cases when repeat disconnections have occurred does --
9 there is no one in the customer service department that
10 says to prevent say a future disconnection three years
11 down maybe we should really try to stay on top of this
12 specific file and see what the problem is. Perhaps it's
13 poor insulation or poor windows. None of that -- that
14 doesn't occur, does it, or --

15 MS. ARSENAULT: You are correct. It's not done from a
16 proactive point of view. It is definitely something we
17 offer the customer but not in advance to them, you know
18 what I mean? Like not probing them in advance of them
19 calling us.

20 Q.24 - Okay. Of course your sister agency within the
21 Department of Energy, the newly formed Efficiency NB, has
22 introduced residential programs. They have a form of the
23 EnerGuide for homes rebate and they have also introduced a
24 new program specific for low income households.
25 I'm just curious, knowing of course that the programs

2 are quite new, have any sort of scripts been prepared for
3 customer service agencies so that when customers are in
4 arrears they are introduced to the programs that can
5 potentially help reduce future bill payments in terms of
6 reducing their usage?

7 MS. ARSENAULT: If I understand your question, our energy
8 advisors, if they receive a call from an agent that has
9 been escalated to them maybe due to a high bill concern
10 our energy advisors will make the customer aware of the
11 programs that the energy efficiency agency has and would
12 refer them to the agency, or as well offer to visit the
13 site and provide information at the site or over the phone
14 on how to reduce their consumption.

15 Q.25 - That advice that is given from the energy advisor, has
16 it been given from general customer service agents as well
17 or is it -- is that advice limited to essentially that
18 special -- or that more specific type of customer contact?

19 MS. ARSENAULT: Generally speaking the customer service
20 agents can provide some high level guides to the customer,
21 but in order to give more detailed information on
22 insulation or ways of conserving it would go to one of our
23 energy advisors in the province.

24 Q.26 - I suspect also I guess that much like the new
25 government's protocol concerning disconnects, your

2 relationship with Efficiency NB is still evolving and I'm sure
3 that there will be plenty of opportunity to create
4 synergies in the years ahead. So I guess I will wish you
5 luck in that endeavour.

6 I guess I will turn really to our final set of questions
7 and that's concerning just what opportunities there may be
8 to improve the customer service relationship between NB
9 Power and its consumers.

10 I believe the new government, as part of its election
11 platform, had promised that some sort of customer service
12 representative would in fact be sitting on the NB Power
13 board of directors. Is the panel aware of any discussions
14 with the new government concerning this potential
15 representative.

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

17 Q.27 - Okay. In response to a few previous IRs, I believe in
18 fact the Public Intervenor had asked about what sort of --
19 what sort of office broker service is involved when there
20 is in fact a legitimate dispute between say a NB Power
21 customer and the utility. And I believe in a few of the
22 responses the office of the Ombudsman was mentioned as a
23 potential route. Is the panel aware of cases directly
24 linked to the utility in which the office of the Ombudsman
25 has been asked to intervene?

2 MR. MAROIS: Yes, I am. The -- over the past two years they
3 have dealt with about -- I think one year they dealt with
4 about 50 complaints and the other one about 60 cases that
5 went to them.

6 Q.28 - And would you be able to generalize as to the common
7 nature of customer complaints?

8 MR. MAROIS: Yes, I can. The Ombudsman sent us a letter at
9 year end summarizing the complaints and we even met with
10 the Ombudsman.

11 So I could give you for example for fiscal year 2004/2005
12 we had 60 complaints, or 60 situations where someone went
13 to the Ombudsman. Five were regarding employment, six
14 were regarding service issues, 21 were related to
15 disconnection, seven to payment schedules, 16 to billing
16 amount or calculation of the bill, one regarding security
17 deposit, one under the category administration and three
18 under the category of damage claims.

19 Q.29 - The -- it appears that at least a fair number, if not
20 perhaps two-thirds of the complaints, probably fall within
21 the broad realm of customer service. And I am of the
22 understanding of course that most Ombudsman documents are
23 within the public realm. Is this letter to you, has it in
24 fact been made public?

2 MR. MAROIS: No, I don't think it's made public. It's a
3 letter to our CEO, Mr. David Hay, and I don't know if the
4 outcome of these reviews -- I don't know if that's public
5 or not, to be honest, because I have not received any
6 reports --

7 Q.30 - Okay.

8 MR. MAROIS: -- other than when we met with the Ombudsman,
9 because he was pleased with the response he was getting
10 from us. But we don't get any specifics on the settlement
11 of those complaints.

12 Q.31 - Okay. In the Ombudsman's letter or in your discussions
13 with him, did he offer specific recommendations as to how
14 you can ensure that similar complaints regarding
15 disconnects or other elements of customer service aren't
16 brought to his attention in future years?

17 MR. MAROIS: No, he did not. I guess from my perspective
18 it's -- what, 60 on 220,000 customers is a pretty low
19 number. I mean, naturally ideally we would have no
20 complaints. What is missing from this is how many of
21 these were founded? I mean, it doesn't mean that because
22 there were 60 complaints that they were all founded
23 complaints. And that's what -- that's what is a challenge
24 in tracking complaints.

25 Q.32 - I guess our final set of questions deals with what we

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hoped to come out of our participation in the hearing, and that is some sort of endowment be established for low income households.

We have filed a submission that highlights different sorts of endowments in other jurisdictions in the country. Some provinces in fact the government takes on that role of providing emergency relief.

In other provinces the utilities generally seek out a third party charity who can help administer such sort of program. I know that the Board asked for intervenor's opinions on this question. Would you be ready as a panel to offer your thoughts or are you filing your own document later on in the day, or --

MR. MORRISON: I guess on that point, Mr. Chairman, I believe the Board's request was -- requested submissions on the Board's authority to implement or order implementation of an arrears fund. I will be making submissions on that in closing argument.

However, I'm sure Mr. Marois has some thoughts on -- generally outside the legal arguments, if you will, on the whole concept of funding assistance.

CHAIRMAN: Thank you, Mr. Morrison. Do you want to carry on, Mr. Marois?

MR. MAROIS: Yes. I guess I have got a little bit of

2 thoughts but a lot of questions, and I think they deal with
3 the point you raised yourself in the sense that if from my
4 perspective, especially for us being a Crown corporation,
5 the first question I have is should this be a matter of
6 government policy, and as such should it be led by the
7 government in terms of how would they like to see this
8 happen. So that's the very first question goes through my
9 mind.

10 But then there is a series of questions in terms of is a
11 fund the best way to do it? Like I said earlier, I
12 believe that providing assistance is the right thing to do
13 but how should that assistance be made. For example, one
14 way of doing it would be to improve existing programs that
15 are already in place. So there are several options. But
16 then there is an array of practical questions in terms of
17 who manages it, who funds it, who qualifies. Is it an
18 emergency one time fund, an ongoing assistance. These I
19 think are very fundamental questions that need to be
20 properly canvassed before such a fund is created.

21 So I guess yes, I am support in terms of principle but
22 operationally I don't have any strong views in terms of
23 what is the best way to go.

24 There is one area where I have a view that I don't think
25 it should be the utility and I agree with you in

2 that regard, that assesses eligibility. I believe that is
3 better left to a third party.

4 But that is where I guess my thinking is right now is a
5 lot of questions.

6 Q.33 - I think on that matter I will probably end my
7 questioning because I actually believe that if the utility
8 is to consider some of the issues that we hope to be
9 addressed, some of the discussion may in fact be better
10 placed in a rather less formal setting in which we can sit
11 and chat about this.

12 But we certainly look forward to any discussions you may
13 wish to have on some of the ideas we have put forward and
14 again we thank you for your openness to our own ideas and
15 your frank submissions as to where you stand on some of
16 these matters. So we thank you.

17 MR. MAROIS: You're welcome.

18 MR. PEACOCK: With that I am finished.

19 CHAIRMAN: You are all done? You said when you started out
20 you would be gentle. Is that -- after changing diapers,
21 you become very humble, don't you?

22 It is now 10 after 11:00, I guess. Mr. Hyslop, are you
23 ready to go or do you want a few minutes?

24 MR. HYSLOP: I am at the pleasure of the Board.

25 CHAIRMAN: Do you want to take a few minutes before you

2 start?

3 MR. HYSLOP: If that is the Board's wish, I am all in
4 favour.

5 CHAIRMAN: Let's take a 10 minute break then.

6 (Recess - 11:10 a.m. - 11:20 a.m.)

7 CHAIRMAN: Would you like to proceed, Mr. Hyslop?

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

9 CROSS-EXAMINATION BY MR. HYSLOP:

10 MR. HYSLOP: Before we start, and I don't -- I just want to
11 make it clear on the record. Normally the evidence --
12 pre-filed evidence, the panel confirms the pre-filed
13 evidence as being true and correct. Because there wasn't
14 any pre-filed evidence that wasn't done, but just as a
15 procedural point, I think it is fair to ask if the panel
16 would confirm the accuracy and truthfulness of the answers
17 provided in the responses to interrogatories which I
18 understand was marked as exhibit A-4.

19 MR. MAROIS: Yes, we do.

20 Q.34 - Thank you very much. And that was just for the sake of
21 the record.

22 I want to start, if I might, just by following up on a
23 questions coming out of my colleague, Mr. Peacock's cross-
24 examination.

25 And I would ask you that you turn up Disco PI IR-21,

2 which is found in exhibit A-4. This is the one dealing with
3 the legitimate economic needs. And in that regard, you
4 indicated to Mr. Peacock that you had modified one of your
5 letters which you have sent out as a Dunning letter.
6 I believe in your evidence there were three or four
7 Dunning letters that were used at different stages of the
8 collections process. Which Dunning letter is the one
9 that has the reference and referral to the Family and
10 COmmunity Services?

11 MS. ARSENAULT: It is the final Dunning or the final
12 reminder notice.

13 Q.35 - Okay. So I think there were four reminder notices,
14 from your evidence, that you filed in response to the
15 interrogatory.

16 MS. ARSENAULT: My recollection is yes, there is four.

17 Q.36 - So this would be the fourth letter is when you give the
18 first reference for people to go to Family & Community
19 Services?

20 MS. ARSENAULT: It is the third letter.

21 Q.37 - Okay.

22 MS. ARSENAULT: And what we have added as a paragraph is
23 that --

24 Q.38 - Well I was just going to say could you file the
25 modifications to the third Dunning letter that you send

2 out with the Board?

3 MR. MORRISON: Yes, we can do that.

4 Q.39 - Thank you. And you know, if people have legitimate
5 economic needs or they are having a hard time paying the
6 bill, is there some reason why you wouldn't put in the
7 letter -- the first letter you send out if you have
8 legitimate economic needs, you should make an appointment
9 to see Family & Community Services as soon as possible to
10 make an assessment of the -- of your financial position
11 and ability to pay?

12 MR. MAROIS: I guess theoretically speaking, we could
13 consider doing that. But I guess what is important to
14 realize is that it is a step process where many people pay
15 after the first notices.

16 So really the purpose of this notice is to at the end of
17 the day if they haven't paid following the normal steps,
18 is then you start realizing okay, maybe there are
19 legitimate needs and let's work together. But in my mind
20 it is -- because what we are talking about here is a very
21 small fraction of our customers that do -- I mean, at the
22 end of the day -- potentially qualify for this.

23 So to modify the system from the beginning or the process
24 from the beginning might not be the optimal way of doing
25 it.

2 Q.40 - Again, I appreciate your point, it may be a small
3 subsection of your customers, Mr. Marois, this is more
4 argumentative -- but when I suggest that that very small
5 segment is very much at risk, especially in the winter
6 months, and having them know this at an early stage,
7 wouldn't that be a benefit to you?

8 MR. MAROIS: Possibly but I don't --

9 Q.41 - Thank you.

10 MR. MAROIS: What is important to realize here is I believe
11 that this policy has been widely publicized and the
12 minister has made it clear that it is important for the
13 customers to make their situation known.
14 And at the end of the day, we are not the ones doing the
15 assessment. So more information is potentially better. I
16 am not certain to what extent.

17 Q.42 - Sure. Well if more information is substantially
18 better, with respect, the sooner they have the information
19 would be substantially better, would it not?

20 MR. MAROIS: Like I say, I believe that customers that are
21 in need are the ones that at the end of the day need to
22 take some accountability for looking for assistance. If
23 there are merits of us giving them notice sooner, we will
24 consider it.

25 Q.43 - Okay. Also, the way I understood, I wasn't quite sure

2 of the procedure, but I understand Family & Community Services
3 become involved in determining whether or not legitimate
4 economic needs exist. Correct?

5 MR. MAROIS: Correct.

6 Q.44 - Right. And the legitimate economic needs, they go to
7 family services and they do an assessment of a person's
8 financial situation. Do you at this time have any
9 indication as to how that assessment will be made?

10 MR. MAROIS: Well they will do that assessment the same way
11 that they do the assessment -- the normal assessments for
12 their other programs. There is --

13 Q.45 - Are you sure of that? It is not a different test?

14 MR. MAROIS: It is not a different test.

15 Q.46 - So if they don't qualify for Social Assistance, they
16 wouldn't have legitimate economic needs?

17 MR. MAROIS: No. That is what I said when I explained the
18 process earlier, I said part of the process is for the
19 customer to go to Family & Community Services.

20 Q.47 - No, but my question again is if they don't qualify for
21 Social Assistance, does that equate to not having
22 legitimate economic needs?

23 MR. MAROIS: Please let me finish.

24 Q.48 - Well please would you answer?

25 MR. MAROIS: I am answering your question.

2 Q.49 - No, you are stick handling around it. I have asked --

3 MR. MORRISON: Mr. Chairman, that is not fair. He asked the
4 question, the witness tried to give a fulsome response and
5 he was cut off.

6 CHAIRMAN: Yes. Mr. Marois did answer your question, Mr.
7 Hyslop.

8 MR. HYSLOP: I'm sorry, I missed the answer.

9 Q.50 - The question again was if the Department of Social
10 Services, because of their assessment says you do not
11 qualify for Social Assistance, is that the same as saying
12 you do not have legitimate economic needs? Yes or no?

13 MR. MAROIS: And I will try to give you the answer. It is
14 not a clear yes or no because it is -- these things are,
15 like I say, case by case.

16 So one of the requirements to qualify for the no
17 disconnect policy for legitimate economic needs is to go
18 to Family Community Services for an assessment. If you
19 qualify for the programs, then it is clearly that you have
20 demonstrated that you are in economic needs.

21 However, even if you do not qualify, just the fact that
22 you have gone to Family Community Services, we will
23 consider that as acting in good faith. And then when a
24 customer comes back to us, we will work with them to come
25 up with a mutually agreeable solution.

2 Q.51 - And if he says I just can't pay, would that be in your
3 opinion a statement that he does not have legitimate
4 economic needs?

5 MR. MAROIS: You are tasking about a customer that has come
6 back?

7 Q.52 - Yes.

8 MR. MAROIS: From Family Community Services?

9 Q.53 - If he doesn't get assistance, although you are prepared
10 to work with him, does he or does he not have legitimate
11 economic needs?

12 MR. MAROIS: I will repeat my response.

13 Q.54 - Well no --

14 MR. MAROIS: We will --

15 Q.55 - Isn't it correct --

16 MR. MAROIS: We are not -- we are not at NB Power passing
17 judgment if somebody is in legitimate economic needs.
18 What we are going to do is work with the customer. And in
19 some circumstances it is to the customer's benefit if they
20 can put some money on their accounts. But we will do what
21 we can to make certain that we have a mutually agreeable
22 solution at the end of the day.
23 And if so we will err on the conservative side. In other
24 words, of not disconnecting the customer. But we want to
25 work with the customer and we believe at the end

1 - 44 - Cross by Mr. Hyslop -

2 of the day, if the customer is able to pay down their
3 accounts, even if it is slow, it is to their benefit.

4 Q.56 - Okay. But he wouldn't have legitimate economic needs
5 to the extent that if he made no payment at all you would
6 -- in that state you would be able to cut him off.

7 Correct?

8 MR. MAROIS: Well I think what I have just said is unless
9 there is an extreme situation we will not cut off a
10 customer that would have gone through that process.

11 Q.57 - Sure. Okay. I am not going to beat it to death. I
12 can't seem to find out if he doesn't agree to terms with
13 you, that -- I appreciate how diligent you will be to try
14 to work something out but if he says, Mr. Marois, I just
15 can't pay, would he have legitimate economic needs so that
16 you will not cut him off?

17 Are you going to -- I can't even pay \$25 this month on my
18 arrears, at the end of the day where would that leave you?

19 Would you cut him off or not?

20 MR. MAROIS: Well I think I responded to that. In a case
21 like that, if the customer has gone through the process
22 and we believe that they cannot pay \$25, they most likely
23 would not get disconnected.

24 Q.58 - So if they --

25 MR. MAROIS: During the winter months.

2 Q.59 - Just a couple questions about the Ombudsman. In any of
3 your letters or correspondence that you send out, Ms.
4 Arsenault, do you advise customers if they can't reach an
5 agreement that they should seek the services of the
6 Ombudsman?

7 MR. MAROIS: The question is -- the answer is no, but --

8 Q.60 - Thank you.

9 MR. MAROIS: -- what is to be understood is the mandate of
10 the Ombudsman to my knowledge is not to arbitrate between
11 us and the customer if a customer believes they can pay or
12 not. It's to ensure that fair process was followed.
13 That's what we are looking at.

14 Q.61 - It's not the role of the Ombudsman -- would you repeat
15 what you said there again?

16 MR. MAROIS: I'm trying to remember the wording on their
17 website, but it's to ensure that due process was followed,
18 that the person was treated in an incredible manner in
19 light of the process that should have been followed.
20 They don't -- I don't believe that the role of the
21 Ombudsman is to statute on the substance of the matter,
22 it's more on the fairness of the process.

23 Q.62 - In any of your correspondence do you tell a customer if
24 they are unhappy with the result or the negotiations with
25 NB Power, they can have the matter referred to some other

1 party for resolution, Ms. Arsenault?

2 MS. ARSENAULT: No, in our correspondence we don't.

3 Q.63 - Thank you. Is there anywhere in the customer service
4 manual where as a policy and a condition of service that a
5 customer can become aware he can have the matter referred
6 to some third party for resolution?
7

8 MR. MAROIS: The short answer is no.

9 Q.64 - Thank you. I want to ask you to flip open again to
10 customer service policy PI IR-21. That's the one on the
11 legitimate economic needs. And I'm looking in particular
12 under the question asked, 4(c), which says, please provide
13 the following information on residential disconnections
14 and reconnections, and (c) says, for the year 1990/91 to
15 2005/2006 the number of reconnections by month.

16 And your answer to that in the IR response was, DISCO does
17 not track reconnects after a disconnect for non-payment.

18 Is that correct? Can you confirm that answer?

19 MS. ARSENAULT: That is correct.

20 Q.65 - Thank you. Now if I refer you over to the same
21 exhibit, A-4, PUB CSP IR-1, and in that answer I'm looking
22 at question 3. It says 622 accounts, 523 residential
23 accounts have been disconnected, subsequently reconnected
24 and were again disconnected within the year due to non-
25 payment.

2 In view of your private answer where you don't keep track
3 of reconnections, I was a little confused as to how the
4 answer to question 3 came about if you don't keep track of
5 your reconnections?

6 MS. ARSENAULT: Can you show me the question again from PUB
7 IR-1? Which one is it, I'm sorry?

8 Q.66 - PUB IR-1, it's the third question. It says, for
9 accounts that have been disconnected and subsequently
10 reconnected how many of these accounts were again
11 disconnected within the year due to non-payment, and you
12 gave an answer.

13 And I'm not too concerned about the substance of the
14 answer. In the previous IR you said you don't keep track
15 of reconnections. And I'm wondering how you can tell me
16 how many people were disconnected twice within the same
17 year if you don't keep track of their reconnections?

18 That's all my question. I'm just confused how you got
19 from A to C there?

20 MS. ARSENAULT: It was an estimation based on the days.
21 It's difficult for us to calculate what those days are.
22 So we modified an existing report that was using just
23 disconnections, all kinds of disconnections, what we do if
24 you are moving out so you have requested to have your
25 account disconnected, plus our disconnects for

2 non-payments are all in the report. So we don't have -- in an
3 attempt to answer the question, we estimated based on
4 that. So we had to modify the report and -- the report
5 wasn't designed to track those disconnects that way, so we
6 estimated.

7 Q.67 - So maybe the more proper answer to CSP IR-1 is because
8 we don't keep track of reconnections we really can't
9 provide an accurate number with respect to the number of
10 disconnections, reconnection -- disconnections,
11 reconnections and subsequent disconnections? In view of
12 the fact you have estimated, you can't give me an accurate
13 precise number?

14 MS. ARSENAULT: That is correct.

15 Q.68 - Thank you very much, Ms. Arsenault. Just so I have it
16 straight, Mr. Marois, I know you are Vice-president and I
17 think in one of the IR responses, Mr. Larlee, you are the
18 person ultimately responsible for the RSP manual?

19 MR. LARLEE: I have responsibility for essentially managing
20 the manual.

21 Q.69 - That's what I was going at. And, Ms. Arsenault, you
22 are the Manager of customer service and relations, is that
23 correct?

24 MS. ARSENAULT: I am the Director of retail and customer
25 marketing which is customer service.

2 Q.70 - Okay. And I take it while Mr. Larlee is the manager of
3 the RSP manual you are the person that is perhaps most
4 familiar with using it on a day to day basis, is that
5 correct, of the three panel members here?

6 MS. ARSENAULT: Certain sections of the RSP my staff, yes,
7 are familiar with certain sections of the RSP.

8 Q.71 - Right. And those certain sections would I assume deal
9 a lot with the connection of service, the providing of
10 service, the collection of arrears, and unfortunately from
11 to time the disconnections of service, is that what your -
12 - the people that work for you do?

13 MS. ARSENAULT: That is correct, as well as the energy
14 advisors and some of our payment programs that we have,
15 equalized payments, pre-authorized payment, water heater
16 and lighting program.

17 Q.72 - You are the interface between the public, the general
18 residential public?

19 MS. ARSENAULT: My area is the first point of contact with
20 the 1-800 number.

21 Q.73 - Sure. Before we get into this too much and into the
22 manual, I was wondering if there are specific sections of
23 the Electricity Act that govern the way you administer
24 your customer service policies?

25 MR. LARLEE: There are different sections of the Act that

2 touch upon certain policies that we have in the rate schedules
3 and policies manual. I could give you some examples of
4 that. Some are around meter reading, access to our
5 equipment and so forth.

6 Q.74 - Okay. Well I am just wondering in particular are there
7 any specific sections of the Act that any of you are aware
8 of that deal specifically with the issues of deposits
9 and/or disconnections?

10 MR. MAROIS: Yes. The one that comes to mind is section 73
11 of the Act that allows us to disconnect after a month.

12 Q.75 - And that section in fact provides if any person
13 supplied with electricity by a distribution utility fails
14 to pay the amount due for the electricity within the
15 period of one month after the amount becomes due, the
16 distribution utility may stop the supply of electricity
17 from entering the premises of such person by cutting off
18 the supply by such means as he thinks fit. And there is a
19 little bit more about collecting the money.

20 So is there any other section that would deal with
21 disconnections in the Act except that one section 73, Mr.
22 Marois, that you are aware of? And if you want to take it
23 subject to check I don't have a problem.

24 MR. MAROIS: I believe it would also potentially be a power
25 of entry in section 84 which would give us power to be

2 used for example in the institution of safety concerns or
3 relating matters.

4 Q.76 - There is no provisions in the Act that specify exactly
5 what type of notices have to be given, that you are aware
6 of?

7 MR. MAROIS: Not to my knowledge.

8 Q.77 - There is no sections of the Act that specifically
9 provide for the length -- the nature of service or the
10 number of days notice you have to give in the Act that you
11 are aware of?

12 MR. MAROIS: Was your question specific to notice period?

13 Q.78 - Notice period for example for disconnection. There is
14 nothing specific in the --

15 MR. MAROIS: Not for notices, because as I mentioned before
16 section 73 talks about the number of days in arrears but
17 it doesn't talk about notices.

18 Q.79 - It doesn't. Theoretically under the Act you wouldn't
19 have to give any notice, am I correct?

20 MR. MAROIS: There doesn't seem to be any wording on
21 notices.

22 Q.80 - And if you find out something -- I realize you may be
23 taking this subject to check. And what I am getting at is
24 -- and I also mentioned policies with respect to deposits,
25 because I want to spin back a little later. Is any of the

2 panel members that have specific knowledge of the section in
3 the Electricity Act that deals with the requirement for or
4 the nature of requesting a deposit.

5 MR. MAROIS: No, we are not aware of any.

6 Q.81 - And where I am going with this, I'm not attempting to
7 trick you. Look, I wish you wouldn't look so concerned
8 just because I'm asking questions. But I'm going to
9 suggest that in the absence of specific legislation it
10 would appear to me that great discretion has been given to
11 NB Power in the establishment, maintenance and operation
12 of their customer service policies.

13 And would you generally be prepared to agree that that in
14 fact is the case, Mr. Marois?

15 MR. MAROIS: The answer is yes and I guess it's a reflection
16 of how the legislation has evolved in New Brunswick.

17 Q.82 - Right. And thank you. I was going to say other than
18 the ability for the attorney general to appoint a Public
19 Intervenor, I think the answer is yes, Mr. Marois. But
20 having said that -- so wide and full discretion has been
21 given to NB Power. Now the purpose of the --

22 MR. MAROIS: Just maybe -- one thing that is important to
23 realize is these policies -- many of these policies have
24 been in place forever. They have been more evolutive than
25 I guess revolutionary. So these things didn't just happen

1
2 overnight. They evolved gradually over time.

3 Q.83 - We are going to talk about how hard it is to have these
4 changed a little later in my cross-examination, Mr.
5 Marois, but I understand your point. They have been
6 around a long while?

7 MR. MAROIS: Exactly.

8 Q.84 - Right. Probably not keeping up with active trends and
9 consumer activism, I would suggest.

10 MR. MAROIS: They are pretty consistent with what we see
11 elsewhere. I mean it depends. That's why it's important
12 when you look at what is happening elsewhere that you look
13 at the context. When you do benchmarking the easy part is
14 going on the website and printing something. The hard
15 part is interpreting it.

16 Q.85 - We will get to that too, Mr. Marois. Now the purpose
17 of the customer service policy is to define the
18 relationship between the utility and its customers,
19 correct?

20 MR. MAROIS: Excuse me. Could you repeat?

21 Q.86 - Yes. The purpose of the RSP manual -- I keep calling
22 them customer service policies, but if I use it I mean the
23 policies in the RSP manual. And the purpose of these is
24 to define the relationship between the utility and its
25 customers?

2 MR. MAROIS: I guess in practical terms you are probably
3 correct, but the purpose is spelled out in section A-1 of
4 the manual, and it says the purpose of this manual is to
5 define the scope and application of policies and
6 electricity rates for the New Brunswick Power Distribution
7 and Customer Service Corporation the service area is in
8 the Province of New Brunswick.

9 Q.87 - Right. Which I suggest is basically your attempt to
10 tell your customers what the rules of providing
11 electricity service are?

12 MR. MAROIS: That is correct.

13 Q.88 - Right. And is there any other purpose for the RSP
14 manual, and I'm going to use customer service policies to
15 mean the RSP manual except for these specific which deal
16 with tariff. So is there any other service for the
17 customer service policies?

18 MR. MAROIS: Well that's definitely the main purpose, yes.

19 Q.89 - Thank you. And I take it -- and maybe this is best
20 directed toward Ms. Arsenault -- the utility uses the
21 customer service guidelines for its own employees when
22 they deal with situations with customers, correct?

23 MS. ARSENAULT: That is correct.

24 Q.90 - Okay. And are there any other documents or materials
25 that your customer service people would use in addition to

2 the RSP manual itself?

3 MS. ARSENAULT: As part of the training material manual,
4 there is information in there used for the customer
5 service agents to use as guidelines. As well we have our
6 policies -- or sorry -- our procedures that we have that
7 would step out what they, an agent, or what an employee
8 needs to do in a particular situation.

9 For example, it could be on how to process a security
10 deposit or how to prepare or set up a customer on pre-
11 authorized payments. So there are procedures that would
12 be available.

13 Q.91 - And would some of these procedures flow out of and be
14 more detailed than the specific provisions that are in the
15 customer service policies?

16 MS. ARSENAULT: The procedures are more detailed and they
17 reference the RSP manual from the policy perspective.

18 Q.92 - Sure.

19 MS. ARSENAULT: Yes, they are more detailed.

20 Q.93 - And how extensive a document would these procedures be?

21 MS. ARSENAULT: Sir, if I understand the question correctly
22 is that are they -- how extensive, or so how many pages,
23 are they -- they are more --

24 Q.94 - I will get right to the nub. You say you have certain
25 procedural manuals that your customer service

1 - 56 - Cross by Mr. Hyslop -

2 representatives use, correct?

3 MS. ARSENAULT: That is correct.

4 Q.95 - Right. And would you undertake to file with the Board

5 a copy of the procedures manual that is used by your

6 customer service representatives?

7 MR. MORRISON: I am told, Mr. Chairman, that - well, I guess

8 let's try to put a box around it, because there are also I

9 think a lot of what are called computer-based training

10 modules, which are interactive in terms of what the agents

11 use. There may even be procedures and I am trying to get

12 a handle on exactly what Mr. Hyslop is looking for. There

13 may be procedures, for example, on how to install a

14 transformer, procedures on how to do a line extension,

15 technical manuals that could be very, very extensive.

16 CHAIRMAN: In a customer service book? You are dealing just

17 strictly with Ms. Arsenault's department, aren't you??

18 MR. MORRISON: If we are dealing strictly with Ms.

19 Arsenault's group then at least that puts some fence

20 around it.

21 CHAIRMAN: Do you want to put a fence around it, Mr. Hyslop?

22 MR. HYSLOP: I -- perhaps, Mr. Chair, Mr. Morrison and I

23 might discuss the size and height of the fence over lunch

24 hour and maybe we can reach some resolution as to what I

25 want to have put on the record as a result of my line of

2 questioning?

3 MR. MORRISON: We do have some procedures here or readily
4 available with respect to Ms. Arsenault's group. But,
5 yes, maybe we could talk on the lunch hour and come to a
6 resolution.

7 MR. CHAIRMAN: We will take our lunch break now and
8 reconvene at 1:30.

9 MR. MORRISON: Okay.

10 MR. HYSLOP: Thank you very much, Mr. Chair.

11 (Recess - 12:00 p.m. to 1:30 p.m.)

12 CHAIRMAN: Good afternoon. Is there any preliminary matters
13 before we --

14 MR. MORRISON: Well I guess just where we broke, Mr.
15 Chairman, I have spoken to Mr. Hyslop. We have got about
16 -- we are probably going to meet again after the close
17 today to see whether we can whittle the list down, but
18 there appears to be about 40 procedures that come out of
19 Ms. Arsenault's group, which we expect would probably run
20 about 250 pages.

21 So we might be able to cut that down a bit after Mr.
22 Hyslop takes a look at -- I'm trying to get a list done
23 up and then we can have him some time tomorrow morning put
24 on the record.

25 CHAIRMAN: Is that agreeable, Mr. Hyslop?

2 MR. HYSLOP: That's an accurate statement, Mr. Chair. Thank
3 you.

4 CHAIRMAN: Would you like to carry on with your cross-exam.

5 MR. HYSLOP: May it please the Board.

6 Q.96 - Before the break I think we established that the RSP
7 manual sets out the conditions under which the utility
8 provides electrical services to its customers, is that
9 correct?

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

11 Q.97 - Thank you. And other than these rules as contained in
12 the RSP manual, there are no other documents that
13 specifically set out the terms of service for the
14 customers, correct?

15 MR. MAROIS: From a policy perspective you are correct.

16 Q.98 - Yes. Okay. And I just want to go on if I could and
17 look at DISCO PI IR CSP-4. It's in exhibit A-4. And in
18 that IR we -- I tried to examine the process which results
19 in changes to the customer service policy.
20 And in your answer dealing with point 3 I asked in
21 particular what type of consultation might be done outside
22 of NB Power and you indicated that consultation outside of
23 NB Power for changes to the RSP manual is limited to
24 reviewing the practices of other utilities, is that
25 correct?

2 MR. LARLEE: Yes, that's correct. When we would be looking
3 at a specific change in the RSP manual we would canvass
4 the other utilities on their policies to cover some of
5 those situations.

6 Q.99 - And everything gets lost in the translation, but
7 judging also from the answers to 1 and 2, it would seem that
8 for the most part the changes to policies as they occur arise
9 within NB Power, and are reviewed pursuant to the procedures
10 and management systems at NB Power before being implemented,
11 correct?

12 MR. LARLEE: Yes. We would also -- I mean these changes,
13 many of them would have their genesis from customers
14 themselves and would come about as a result of feedback we
15 are getting from customers through our field personnel.

16 Q.100 - And your field personnel would be the people that
17 would bring this back to the proper management people at
18 NB Power?

19 MR. LARLEE: Yes. In most cases.

20 Q.101 - Right. And then you would prepare some type of
21 changes to your policies. Would those policies ever be
22 circulated amongst stakeholders or customers prior to
23 being implemented?

24 MR. LARLEE: I don't believe we have ever had any sort of
25 formal proposals circulated about. Certainly there would

2 be informal discussions with groups of customers or
3 associations prior to changes, and then of course once the
4 changes are implemented then there would be more formal
5 type discussions with them.

6 Q.102 - You in one of your IR responses -- I think it was in
7 appendix 1 of exhibit A-4 -- A-5 -- provided a list of all
8 the changes that had taken place to the manual since 1992.

9 Would it be possible for you to go through those changes
10 and tell me which of those changes were made with specific
11 consultation with customer or customer groups, and, if so,
12 who were those customers?

13 MR. LARLEE: I don't think it's practical really to do that.

14 I wouldn't have personal knowledge of all of the
15 consultations that we would have done and there wouldn't
16 be a paper trail for us to research it.

17 Q.103 - I accept that. Now I'm going to go on and ask, if I
18 could, how do customers get information about the terms of
19 their contracts and the terms of service as set out in the
20 RSP manual. I take it some of it occurs because they talk
21 to customer service representatives?

22 MR. MAROIS: Yes.

23 Q.104 - Do you do mail-outs to the customer explaining your
24 policies or any parts of the policy manual?

25 MR. LARLEE: I guess first off, the RSP manual is available

2 at all the offices at NB Power and it's available on the
3 website. There is additional information on the website
4 including frequently asked questions. And we have also
5 from time to time mailed out as bill inserts information
6 on specific policies. The one that comes to mind is our
7 water heater policy.

8 And of course the actual back of the bill we would include
9 information from time to time on policy as well.

10 Q.105 - And just to go back to those mail-outs, would often
11 times these mail-outs be done at a time when there was a
12 change in policy?

13 MR. LARLEE: Well in the particular case of the water heater
14 policy, yes, that is exactly what happens.

15 Q.106 - Could you perhaps undertake to provide me the details
16 of the last ten special mail-outs relating to NB Power
17 customer service policies indicating the date of the
18 special insertion and a copy of whatever was inserted at
19 that time? If it's something that can't be determined I
20 respect that answer as well.

21 MR. MAROIS: I guess the big question is I don't know if we
22 can go to ten readily, but we can look at what we have.

23 Q.107 - That's all I can ask, Mr. Marois. That's fair. And
24 again, I'm just going back to a little bit about the
25 establishment of policies. Other than some of these

2 informal discussions you might have with specific customers
3 relating to specific policies, there is no widespread
4 public consultation with regard to any changes that you
5 are proposing to your RSP manual?

6 MR. LARLEE: No, there wouldn't be any widespread public
7 consultation, although I think it's important to remember
8 that our staff are in contact with our customers
9 continually, both through the call centre and out in the
10 field talking to customers. So it provides a very good
11 conduit from our customers to ourselves.

12 Q.108 - You never make a publication in the newspaper saying
13 you are intending to change the terms and conditions of
14 your service along the following lines and public comment
15 would be appreciated. Have you ever done that?

16 MR. LARLEE: No, not to my knowledge.

17 Q.109 - And I understand from your IR responses any proposed
18 changes to your RSP manual, you never have prior
19 consultation with the regulator with regard to those
20 changes before they occur? That would be if you want to
21 look at your response to CSP IR-4, (vi).

22 MR. LARLEE: Can you repeat that?

23 Q.110 - Yes. It's CSP IR-4 PI, and I'm looking at (vi).

24 There is no prior consultation on non-related changes.

25 It's on page 2 of the IR response.

2 MR. LARLEE: In the last customer service policy hearing
3 that was held before the PUB, the PUB did make a series of
4 recommendations and as a result of those we did make some
5 changes that flow directly from that. But other than that
6 there is no consultation with the PUB.

7 Q.111 - Right. Thank you. You mentioned your website. I
8 think you suggested that your customers can get
9 information about the customer service policies from the
10 website, correct?

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

12 Q.112 - Right. In fact you have the whole RSP manual on the
13 website?

14 MR. LARLEE: Yes, we do, in two different formats and in
15 both French and English.

16 Q.113 - Right. And I went on and tried to drill down to get
17 it. Are you aware how many steps and clicks you have to
18 make to get to your customer service policy?

19 MR. LARLEE: I have never counted them, but it's like any
20 website. It's in a constant state of evolution and it has
21 actually been revamped once since it was initiated. So we
22 will continue to try and keep it as up to date as
23 possible.

24 Q.114 - Sure. I'm sure the website is up to date and you your
25 RSP policies are kept up to date, Mr. Larlee, but would it

2 surprise you you have to click on main, click on customers,
3 click on residential, click on rates and policies, click
4 on policies, click on version, which then leads you to six
5 table of contents pages before you get to the policies?

6 MR. LARLEE: I think you can access the Adobe PDF format
7 more quickly than that. The purpose of having it in HGML
8 format that you are referring to is to make it accessible
9 section by section without actually having to print out
10 the entire document.

11 Q.115 - Would you subject to check confirm whether or not I am
12 correct and if there is an easier way where you don't have
13 to drill as deep to get to the RSP manual, could you
14 explain that to the Board later on in these hearings?

15 MR. LARLEE: I don't believe there is any subject to check.
16 I mean I accept that it takes several clicks to move to
17 the specific sections.

18 Q.116 - Thank you.

19 MR. LARLEE: But if you want to see the entire document
20 there is certainly a fewer number of clicks. If you were
21 looking for a particular phrase or sentence then it's just
22 a question of searching for that through the ADOBE
23 application. So I think with any computer application it
24 is important to have several different ways of accessing

2 information because different people find it easier to do it
3 easier ways. So we have tried to accommodate that as best
4 we can.

5 Q.117 - Well I am quite illiterate with computers and it would
6 really have been helpful to me, Mr. Larlee, if right on
7 your home page it said, for the terms and conditions of
8 service click here, but I appreciate that I don't have
9 very great computer skills.

10 Is there a -- I would call it customer friendly version of
11 the RSP manual -- user friendly version, a little six or
12 eight page synthesis?

13 MR. LARLEE: This is the version I use. Now I'm quite --
14 I'm quite versed at it, but I think if you read it it's
15 written in language that's very readable, it's not in
16 legal language. I think it is a customer friendly
17 version, the version we have.

18 Q.118 - Is that widely accessible to your customers?

19 MR. LARLEE: I'm sorry, Mr. Hyslop. Can you repeat the
20 question?

21 Q.119 - Is what you are carrying there widely accessible to
22 customers?

23 MR. LARLEE: Yes, it is. We produce it primarily for our
24 staff, although every time there is an update we send out
25 in excess of 300 hard copies to persons who have requested

2 that hard copies be sent out to them. It's -- copies of it
3 are at all our offices and of course at the offices of the
4 PUB.

5 Q.120 - How do you make your customers aware of that document,
6 because I like to think I have been fairly diligent in
7 figuring out how you communicate and I must confess I
8 wasn't aware of it, Mr. Larlee.

9 MR. LARLEE: Well it's the Rate Schedules and Policies
10 Manual. Certainly it has been mentioned many, many times
11 in the evidence.

12 Q.121 - No. I'm talking about the user friendly version that
13 you referred to.

14 MR. LARLEE: Well from my point of view the Rate Schedules
15 and Policy Manual is a user friendly version.

16 Q.122 - Okay. There was a document that has been marked ID
17 number 4. It's a couple of pages there with the
18 frequently asked questions. Now just before I start, I
19 assume you have some purpose in having FAQs on your
20 website?

21 MR. LARLEE: It's another way to communicate with our
22 customers and it was felt that it might be an effective
23 way. Again, the more ways that we can communicate with
24 out customer, hopefully the easier it will be for our
25 customer.

2 Q.123 - And what type of studies did you do to determine that
3 these were in fact frequently asked questions by your
4 customers, or were these questions you thought that
5 customers just might like to know the answers to?

6 MR. LARLEE: Well these questions were selected I guess
7 using two criteria. One is they were questions that were
8 in the training material and because they were in the
9 training material they were there for a reason, because
10 they are commonly asked questions not only from our
11 customers but by our staff.

12 And two, we talked to people in the call centres and asked
13 them what do our customers want to know on a frequent
14 basis, and put together this short list of frequently
15 asked questions.

16 Q.124 - And do you have a list of questions that you didn't
17 include in this?

18 MR. LARLEE: We have several versions of frequently asked
19 questions. I mean, if you look at the training material
20 that has been filed there are frequently asked questions
21 there as well. So that's the sort of source that we
22 would have used for these particular questions.

23 Q.125 - Sure. Can you point to anywhere on identification ID-
24 4 where there is frequently asked questions that consumers
25 might want to know relating to the disconnections due to

2 non-payment?

3 MR. LARLEE: I'm just confirming that there aren't any FAQs
4 related to disconnection for non-payment.

5 Q.126 - Than you. Are there any FAQs dealing with the issue
6 of the question of whether a deposit is needed, how much
7 the deposit is and when it has to be paid on the FAQs?

8 MR. LARLEE: No, there is not.

9 Q.127 - Are there any frequently asked questions dealing with
10 my rights as a customer if there is a dispute between me
11 and NB Power?

12 MR. LARLEE: No.

13 Q.128 - Have you as part of what you mail out with people's
14 bills -- do you bring it to their attention that the CSPs
15 and some of your customer policies can be found on the
16 web? Is that part of a mail-out, a special mail-out?
17 When is the last time you might have done something like
18 that?

19 MR. LARLEE: Every bill that we would send a customer would
20 -- contains our website address.

21 Q.129 - But I guess does it say that if you want to know the
22 terms of service and the rules that the services provided
23 you to, please refer to our website, and perhaps give them
24 the full website location? Is that on the bill?

25 MR. MAROIS: Maybe worth mentioning is we have got a section

2 on the back of our bill called key conditions of service.

3 Q.130 - Okay.

4 MR. MAROIS: The ones that are listed here is all bills are
5 due when rendered. A late payment charge of 19.56 percent
6 per year or 1.5 percent per month with a minimum of 50
7 cents will be charged on any unpaid balance.

8 Another point is service may be disconnected for non-
9 payment after 30 days. A third point is uninterrupted
10 power supply is not guaranteed. A fourth point is power
11 supply may not be resold or supplied to any other person
12 by the customer without authorization from NB Power. And
13 the final point is accessibility must be provided to all
14 NB Power owned equipment.

15 So those are printed right on the back of the bill.

16 Q.131 - Okay. That is what you send out. But you don't send
17 out something that says for more information on our rules
18 and procedures this is the website and this is the full
19 website to get to your RSP manual? That is what I asked,
20 Mr. Marois.

21 MR. MAROIS: It's written on the back of the bill, for more
22 information please call the 1-800 number or visit our
23 website.

24 Q.132 - Does it refer to the full website?

25 MR. MAROIS: Pardon?

2 Q.133 - Does it refer to the full website to take you right to
3 the RSP manual?

4 MR. MAROIS: It refers to an entire website because our
5 customer may have different questions.

6 Q.134 - I don't think it does but regardless. Now the RSP
7 manual has two components, Mr. Larlee. One, the NNOS
8 which we have spent a large part of the last year chatting
9 about and then the rest of it is the CSP manual. Correct?

10 MR. LARLEE: Well you have drawn a hard line between the
11 sections. I wouldn't do that. I would say that the --
12 certainly the rates and the rate schedules are contained
13 in the RSP manual. It's been our practice and it's
14 convenient to include matters of policy as well within the
15 same manual.

16 So not only do we have the rates and schedules. There is
17 application guidelines for those rates. There are other
18 charges, all of our charges for facilities, connection,
19 reconnection and so forth and policies relating to our
20 dealings with customers.

21 Q.135 - So from a -- you would say from a convenience and a
22 logistics point of view, it makes sense to have the CSP
23 manuals in with the specific rate areas. Would that be
24 your point, Mr. Larlee?

25 MR. LARLEE: Yes.

2 Q.136 - And as I understand it, however, because the Board
3 regulates rates, wouldn't there be some thinking that
4 because of the interrelation and convenience and the
5 logistics between the two, wouldn't it also stand to
6 reason that there should be some regulation of service
7 where the two seem to be so closely linked together?

8 MR. MORRISON: I can assure you, Mr. Chairman, I will be
9 addressing that issue in final argument.

10 MR. HYSLOP: I would like to ask the witnesses who are under
11 oath to tell me their honest opinion.

12 MR. MORRISON: Their opinion on a legal matter is completely
13 irrelevant.

14 MR. HYSLOP: It is not opinion matter -- or a legal opinion
15 at all. I am asking as a matter of logistics and
16 convenience, you have just told me that rates and customer
17 service policies are all in the same manual. And I have
18 just simply said wouldn't it stand to reason, since they
19 are so closely tied together, that the regulator should
20 have some authority over the customer service policies.
21 And I have asked their opinion as to whether or not they
22 would agree with that statement and why or why not. It is
23 not a legal opinion.

24 MR. MORRISON: Mr. CHairman, whether this --

25 CHAIRMAN: Mr. Hyslop, why don't you use that in your final

2 argument -- in your final submissions.

3 MR. HYSLOP: Fine. If that is your ruling, the ruling of
4 the Board.

5 CHAIRMAN: Yes. Yes.

6 MR. HYSLOP: Then I will go on.

7 Q.137 - Have you ever heard of a customer bill of rights?

8 MR. MAROIS: Yes.

9 Q.138 - Yes. Does NB Power have a customer bill or rights?

10 MR. MAROIS: No. But they are often used in non-regulated
11 utilities. For example, in the material you sent us
12 yesterday, the ones that are in Ontario are for retail
13 marketers which are not utilities.

14 Q.139 - In addition to the customer bill of rights, or in
15 addition to the matters we have touched on, the
16 information you put in the mail, the invoices, the website
17 and the RSP manual, are there any other ways that a
18 customer can find out or any other written information
19 that is provided to customers about the terms of their
20 service?

21 I hope I have covered them all but if there is something
22 else.

23 MR. LARLEE: The only other thing that comes to mind is in
24 specific cases where a customer requires work on behalf of
25 NB Power, specifically a line extension or they need some

1 optional service that requires an estimate from NB Power, we
2 will provide them a letter that includes what they are
3 required to do, what their contribution amount is and so
4 forth, any refund that they might be eligible for. That
5 would be all laid out as a letter, written documentation.
6

7 Q.140 - Sure. And that would be customer specific type of
8 communication. And you wouldn't send that to every
9 customer at NB Power obviously?

10 MR. LARLEE: No. To the customer requesting the service.

11 But the letter itself is essentially a form letter.

12 That's not to say that the person responsible for it
13 wouldn't edit that form letter for the specific
14 situations, but it's as standard a letter as possible.

15 Q.141 - I want to go on and talk about changes to the RSP
16 manual, and again I would ask you to call up exhibit A-4,
17 PI CSP IR-4. And looking at subparagraph (viii) on page
18 2.

19 And I have asked whether or not there is economic impact
20 analysis done, and the response was the decision to
21 undertake policy changes does not rely on quantitative
22 economic analysis and as such no formal reports or
23 analysis are available. That was the answer, Mr. Larlee?

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

25 Q.142 - And I guess my question is in looking at some of these

2 other factors do we look at the possible potential economic
3 impact on customers?

4 MR. LARLEE: Yes. What I'm trying to say here it's mostly
5 policy changes that would take place aren't really
6 quantitative in nature.

7 Q.143 - So in other words most of them would have no economic
8 impact on customers, that would be your position, Mr.
9 Larlee?

10 MR. LARLEE: That's correct. I guess the only example would
11 be anything that impacts customer contributions.

12 Q.144 - Now we talked a little bit about changes and you
13 mention that some changes in the RSP manual came about
14 because of the hearings in the early 1990s. It's my
15 understanding there was in fact a complete hearing into
16 the customer service policies at that time, is that
17 correct, Mr. Larlee?

18 MR. LARLEE: Yes, there was.

19 Q.145 - Right. And I'm not going to beat the whole decision
20 to death, but one struck me, and that decision I believe
21 was dated, subject to check, July 15th 1992.

22 MR. LARLEE: That sounds about right, subject to check.

23 Q.146 - Yes. Give or take. I'm pretty sure of the date. And
24 one of the issues during that hearing was other fish farms
25 and fishing operations, do you recall that issue, Mr.

2 Larlee?

3 MR. LARLEE: Yes. I'm not sure I remember the specifics of
4 the ruling at the time, but I recall the issue.

5 Q.147 - Yes. Well if you read it through pages ten to 12, in
6 fact your utility was complimented by the Board in dealing
7 with this issue, and NB Power -- and this I'm reading
8 directly from the decision at page 12 -- NB Power gave an
9 undertaking to review the classification of this group.
10 It is the understanding of the Board that a decision or
11 recommendation will be forthcoming in the near future.
12 The Board expects NB Power to complete this before the end
13 of 1992.

14 Subject to check, would you agree with me that that's
15 verbatim from the decision in July 1992?

16 MR. LARLEE: Yes, subject to check.

17 Q.148 - I would ask you if you would call up customer service
18 policy PI IR-3. And looking at the first full pages in
19 the table you have prepared -- and I'm looking under
20 section B, the second one down, it says, revise farms to
21 include fish hatchery and fish farms. Do you have that,
22 Mr. Larlee?

23 MR. LARLEE: Yes, I see it.

24 Q.149 - And this was a definitions of the term of the RSP
25 section B-1 revised to change the definition of farms.

2 MR. LARLEE: Yes.

3 Q.150 - Yes. And was this the change that was referred to in
4 the Board's decision in July of 1992?

5 MR. LARLEE: Yes. But the timing of the change that you see
6 there has more to do with essentially a general review of
7 the RSP manual that was undertaken rather than an actual
8 change in policy.

9 We had actually -- we had been including fish hatcheries
10 and fish farms in the definition of farms for some time
11 prior to actually changing the RSP.

12 Q.151 - Well your answer says that the update policy date was
13 August 9th 1999, correct?

14 MR. LARLEE: That's correct.

15 Q.152 - And you are now telling me it was a much earlier date
16 in including fish farms and fish hatcheries into that
17 definition?

18 MR. LARLEE: Yes. That's true. I mean it's quite a broad
19 definition for farming. So we just wanted to make it more
20 specific and line up with our practice at the time. So we
21 took the opportunity because we were making several other
22 changes, particularly the to this section of the RSP
23 manual, to make sure that the definitions were lining up
24 with our practice.

25 Q.153 - So in actual fact until this change was made you would

2 have been administrating the charges to fish farms and fish
3 hatcheries in violation of the customer service manual?

4 MR. LARLEE: No. Because like I said, I think the
5 definition of a farm would incorporate a fish farm or fish
6 hatchery. We were essentially, and have been for quite
7 some time, using as a definition of a farm the general
8 notion of food production. So in our development of our
9 policy for what was a new industry back in the early '90s,
10 we included that as part of the development.

11 We also included a thorough review of all of the sites at
12 the time. The province, management of NB Power, visited
13 every single fish farm and fish hatchery. So there was a
14 lot of discussion with industry. And it was ultimately
15 determined that fish farms and fish hatcheries would fall
16 under the definition of a farm.

17 Now in my role as communicating our policies to staff, I
18 felt that it would be clearer to staff if the definition
19 itself specifically said fish farms and fish hatcheries.
20 So when I had the opportunity, when we were actually
21 changing the definitions, as a result of system changes
22 and lining up what -- how our system was going to be using
23 certain terms, I took the opportunity to insert specific
24 fish farms and fish hatcheries in the definition in the
25

2 RSP manual.

3 Q.154 - I guess I am a little confused. There was a -- the
4 Board's understanding in July 15th 1992 was that a
5 decision or recommendation would be forthcoming in the
6 near future. The Board expects NB Power to complete this
7 before the end of 1992.

8 You know, and I have heard some of your answer but can you
9 give me any full reasonable explanation why it would take
10 seven years and two months to incorporate this change?

11 MR. LARLEE: Well first off, it didn't take seven years and
12 two months. And I would like to be able to tell you when
13 we actually started including fish farms and fish
14 hatcheries within the farm definition, but it certainly
15 wasn't in 1999. It would have been some time if not by
16 the end of 1992, shortly thereafter.

17 Q.155 - Can you tell me the date you changed the wording to
18 include fish farms and fish hatcheries in the RSP manual?

19 MR. LARLEE: The date the RSP manual was changed to
20 specifically identify fish farms and fish hatcheries under
21 farms is listed here, August 9th 1999, but the policy
22 itself of including them in the farm -- under farms and
23 ultimately in the residential rate would have been,
24 subject to check, 1993, possibly late 1992.

2 Q.156 - And so there is a bit of a lag to bringing the wording
3 up to date with the policies you are using in the RSP
4 manual?

5 MR. LARLEE: Well I mean, I viewed it at the time as just
6 basically being a little bit more specific in the RSP
7 manual.

8 Q.157 - Is it normally the policy to -- once a policy has
9 changed -- to delay updating the manual and, if so, what
10 would be the average time before the manual was updated?
11 Is it just when you happen to do a comprehensive review
12 like you did in 1999?

13 MR. LARLEE: Well in areas where there are specific changes
14 to policy, we would -- we would update the manual as
15 quickly as possible and in most cases it would be prior to
16 or right at the date that the policy changed.

17 In areas where it is less specific and it's more a
18 question of clarification or more or less a restriction on
19 a particular type of policy, then those we would wait
20 until we had a group of changes to go through at the same
21 time, or we would put them through during a rate change,
22 so that we would limit essentially the number of re-issues
23 of the policy pages.

24 Q.158 - Wouldn't it make more sense when you make a policy
25 changed, to get the manual updated within 30 days

2 thereafter and then file the changes with the Board? Wouldn't
3 that be a good policy for NB Power to have?

4 MR. LARLEE: Well I guess I was trying to explain that that
5 is in fact what we do when there is a distinctive clear
6 policy change. But you have to understand that a lot of
7 times it's not just a policy change. It's not policy
8 changes we are talking about here. It's more questions of
9 clarification. And those I don't think there is any
10 urgent need to change the RSP manual at the very instant
11 that we come to the realization that a clarification is
12 warranted.

13 Q.159 - What would be a fair timing, Mr Larlee, when you
14 realize something could be worded better and you start
15 administratively doing it different, and the time that you
16 actually file the changes in that wording to the manual?
17 Is it a few months, is it a year, is it nine years, is it
18 seven years and two months? What is the delay in getting
19 it there?

20 I just want to understand how this policy manual which is
21 critical to your operations is managed and operated, and
22 when you make changes to wording, is it that big a problem
23 to make that correction in the manual? Why does it take
24 long?

25 MR. LARLEE: It's not that it takes long, it's just that it

2 seems to me it makes more sense that if you have some minor
3 changes that you know about, to group them together and to
4 re-issue the pages, you know, together all at once.
5 And normally there is at least one opportunity a year
6 because of the rate change, in some years there isn't a
7 rate change. So it may be longer or we may decide simply
8 to issue the pages for no other reason except to update
9 the RSP pages.

10 Q.160 - Ask you again to refer to DISCO PI CSP IR-4, and in
11 paragraphs (v) and (vi), in response to questions, you
12 have set out the role of the regulator with regard to its
13 role in regard to the customer service policies. And not
14 a trick question. I agree in your assessment essentially.
15 But just to confirm it, the PUB's mandate does not extend
16 to approval of changes to customer service policies that
17 do not affect a change to charges rates and tolls under
18 Section 101.1, correct, Mr. Larlee?

19 MR. LARLEE: Yes, that's my understanding.

20 Q.161 - Right. And that your only requirement, as you see it,
21 under the Electricity Act is to follow a rate-related
22 changes in appliance. Is there a requirement for you to
23 file changes to the CSP manual with the Public Utilities
24 Board under the Act?

25 MR. MORRISON: I haven't researched it, but I don't believe

2 there is.

3 Q.162 - So in actual fact then, do you accept the answer of
4 your counsel?

5 MR. LARLEE: Yes, of course.

6 Q.163 - I have had a lot of clients who have exercised their
7 right to disregard the otherwise competent advice of their
8 counsel, but you are not exercising that right. In any
9 event --

10 CHAIRMAN: Would you like to repeat it when Mr. Morrison --
11 I don't think Mr. Larlee was paying attention to that,
12 were you?

13 MR. HYSLOP: No, that's okay. It was just an aside.

14 Q.164 - That answer being accepted then, so in actual fact,
15 other than changes to the rates come along there is no
16 requirement for NB Power to really keep the CSP manual up-to-
17 date with the Public Utilities Board?

18 MR. LARLEE: There may not be a legal requirement, but we
19 certainly have done it.

20 Q.165 - I am not disagreeing. My question is that there is no
21 legal requirement that you are aware of that you keep the
22 Board up-to-date with regard to your CSP manual? I appreciate
23 that you do that.

24 MR. LARLEE: Well just for clarity, you are referring to the
25 CSP manual. If we refer to just the customer service

1 - 83 - Cross by Mr. Hyslop -

2 policies contained within the RSP manual --

3 Q.166 - Yes.

4 MR. LARLEE: -- yes, that's my understanding. It may not be
5 any legal requirement, but we have kept the Board up-to-
6 date on all of the changes we have made to the RSP manual.

7 Q.167 - And so again, the discretion to work with the
8 regulator, in this case NB Power has exercised its
9 discretion in its determination to continue to keep the
10 Board advised as to the terms of providing service?
11 That's a judgment call NB Power has made?

12 MR. LARLEE: Yes. Every time there is a change to the RSP
13 manual, we forward 23 copies to the Board. 11 in French
14 and 12 in English.

15 Q.168 - Now would I be correct that this -- leaving this level
16 of responsibility with regard to the customer service
17 policies for a utility in North America, leaving it solely
18 with the utility would be a rare circumstance, Mr. Larlee?

19 MR. LARLEE: I mean, I know of some utilities that there is
20 no or very little regulation at all, particularly the
21 large or the Crown utilities. So I don't believe I can
22 agree with your statement.

23 Q.169 - Okay. Would you specify exactly which utilities you
24 might be referring to?

25 MR. LARLEE: Well the one that comes to mind is Sask Power,

2 but I believe there is others as well.

3 Q.170 - Would you undertake to let me know any other ones that
4 you can make that statement about? Because I believe
5 there is some Crown utilities that are quite heavily
6 regulated. Maybe you would agree or disagree with that
7 statement?

8 MR. LARLEE: No -- and I know -- I agree with you. There
9 are some Crown utilities that are.

10 Q.171 - Okay. So I won't ask you to name other provinces in
11 view of that. Now I am just taking a few and close to
12 home, and would you be aware that in Nova Scotia, the
13 Public Utilities Act, section 65 provides, public
14 utilities shall submit for approval to the Board, with and
15 as any part of any scheduled rates, all rules and
16 regulations that any matter may relate to such schedule?

17 MR. LARLEE: Well first off, Nova Scotia Power is privately
18 owned. And I guess my interpretation of what you just
19 read would be the rate application guidelines, which are -
20 - we have included in sections N and O. So I guess I am
21 not sure where you are going.

22 Q.172 - Well upon such rules and subsection (2) provides, upon
23 such rules and regulations being approved by the Board,
24 they shall be filed with the Board as part of the
25 schedules of such public utility and thereafter be the

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2 lawful rules and regulations of such public utility until
3 altered or modified by order of the Board.

4 And I suggest that in Nova Scotia in that particular
5 jurisdiction, the Board exercises some control over the
6 rules, regulations and customer service policies of the
7 utility. Are you prepared to agree with me on that point
8 then? I accept your point that its a privately owned
9 utility.

10 MR. LARLEE: Yes, I mean, I would accept the point that the
11 utility is under some regulation and the same could be
12 said for DISCO. Exactly where that regulation starts and
13 stops, I mean I can't say. I haven't researched -- I
14 haven't researched it.

15 Q.173 - I haven't thoroughly researched it. I agree with
16 that as well. But Nova Scotia is close to home.

17 Mr. Marois, I want to go back to one our favorite topics,
18 the level playing field?

19 MR. MAROIS: Sure.

20 Q.174 - Okay. And as you recall the principle of a level
21 playing field?

22 MR. MAROIS: I think so.

23 Q.175 - Yes. And the principle is that in a competitive
24 environment, we should have everybody playing by the same
25 rules?

2 MR. MAROIS: Ideally.

3 Q.176 - Yes. In an ideal world. And as I understand some of
4 our earlier hearings, Enbridge Gas is a potential
5 competitor to New Brunswick Power with regard to
6 residential home heating and perhaps some general service
7 type business, restaurants, stuff like that, would I be
8 correct?

9 MR. MAROIS: That's correct.

10 Q.177 - Right. And right now in New Brunswick other than
11 whatever impact Enbridge might have in New Brunswick with
12 penetration of home heating, et cetera, there is no other
13 competitors for New Brunswick DISCO for the provision of
14 electric utility service, is there?

15 MR. MAROIS: Well, I guess in terms of heating, we have
16 competition from other fuels. But in terms of the
17 provision of electricity, if you are talking about a
18 retail market for electricity, there is none.

19 Q.178 - Right. And Enbridge Gas' would be -- the competition
20 they would have would be regarding to home heating
21 principally and possibly hot water?

22 MR. MAROIS: Yes.

23 Q.179 - And so I agree that they are not a big competitor, but
24 they would like to be. And would you be aware that
25 Enbridge Gas is part of becoming approved to distribute

2 and sell gas in the province of New Brunswick, the subject to
3 a fairly rigorous hearing relating to its customer service
4 policies and it was necessary that they be approved by the
5 Public Utilities Board?

6 MR. MAROIS: Well, I guess there is several comments there.

7 Yes.

8 Q.180 - Okay. That --

9 MR. MAROIS: But I mean, the Gas Act is different than the
10 Electricity Act. But I think that the structure of the
11 market is very different than in the gas and electricity,
12 because in gas there is retail competition at least for
13 the commodity. And that brought about the need to have
14 all sorts of different rules and policies that are not
15 required in electricity, because there are no retail
16 competition.

17 Q.181 - So you are saying that there could be competition with
18 gas, and therefore they should have their rules subject to
19 approval by the Board, but there is no competition to you
20 in electricity, but you shouldn't have the need to have
21 your customer service policies approved by this Board?

22 MR. MAROIS: No, let me put my question in -- my response in
23 context. And this is not unique to New Brunswick. I
24 think in Canada it was probably spirited by in Ontario.
25 When there is retail competition, unfortunately there has

1
2 been a lot of concern about how the retailers interact with
3 customers. I mean they have often been referred to, for
4 example, as trunk slammers, people that use unethical
5 sales technique to sell directly to the customer.
6 And what that required over time are pretty strict codes
7 of conducts to ensure that the marketers, for example, in
8 the case of gas in New Brunswick, the ones that are
9 selling gas, that they behave under certain strict
10 guidelines.

11 So that's what I meant, is that with a different market
12 structure, you got a different requirement, a different
13 reality.

14 Q.182 - And again though we put Enbridge under a tougher,
15 stricter set of rules than we do NB Power. And I
16 appreciate your comments. There may be other gas
17 distributors wanting to play in New Brunswick but --

18 MR. MAROIS: I didn't say tougher rules. I said different
19 rules because they have a different reality. For example,
20 you have to have rules which dictate the behaviour of
21 Enbridge versus the retailers, for example. Well, you
22 don't need those rules when you don't have a retail market
23 -- a retail market in electricity.

24 So there are just rules that are there because of the
25 difference in the market.

2 Q.183 - Okay. You mentioned Saskatchewan, Mr. Larlee. In

3 Canada could you undertake to provide me a list of any

4 other utilities where the control over its customer

5 service policies has been completely left to the utility?

6 MR. MORRISON: Can I get that request again just so I

7 understand the scope of it?

8 MR. HYSLOP: Sure. In Canada could you undertake to provide

9 me a list of jurisdictions where the same level of control

10 over customer service policies has been left completely

11 with the utility?

12 MR. MORRISON: Well that would not be information that would

13 be unique to the Applicant. It would be publicly

14 available information. Not to be flippant about it, but

15 Mr. Hyslop can do that research as well as I can. And I

16 don't see it as something we should undertake to do.

17 MR. HYSLOP: I have done some part of it, Mr. Morrison, but

18 you won't let me put it on the record as evidence so I am

19 asking if the utility would do it. If you want to consent

20 to my document going on the record as a partial list,

21 maybe I will withdraw the question.

22 MR. MORRISON: I am certainly not going to be blackmailed

23 into doing something that the Board has already ruled on.

24 CHAIRMAN: Could you repeat the question again, Mr. Hyslop?

25 MR. HYSLOP: Yes, I will repeat it one more time. I said in

2 Canada, could you provide me with a list of jurisdictions

3 where the same level of control over the customer service

4 policies has been left completely with the utility?

5 CHAIRMAN: After our break we will rule on it.

6 MR. HYSLOP: Thank you very much.

7 CHAIRMAN: Okay.

8 MR. HYSLOP: It is a fairly long session, Mr. Chair. I

9 don't know what you are planning for the afternoon. I can

10 start on it if you wish but it is a section I would like

11 to keep continuous. It will probably take an hour or so

12 to work its way through.

13 CHAIRMAN: Take our 15 minute break now and then get into

14 your section afterwards.

15 MR. HYSLOP: Thank you very much.

16 (Recess - 2:30 p.m. - 2:40 p.m.)

17 CHAIRMAN: In answer to your question, Mr. Larlee, about the

18 information about the other utilities in the regulation, I

19 think you can search that information yourself, Mr.

20 Hyslop. I think you are capable of getting that.

21 MR. HYSLOP: Thank you very much, Mr. Chair.

22 Q.184 - Panel, I would like to move on to another area, and if

23 you could open up DISCO PI customer service policy IR-6.

24 And that IR response indicates, amongst other things we

25 asked, how many customer service complaints and you have

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also brought in inquiries received by telephone by year/month
for the last five fiscal years.

And you indicated that you do not keep track of that type
of information but you do inquire -- deal with inquiries
as quickly as possible. Would you confirm that answer?

MR. MAROIS: Yes, I can.

Q.185 - Thank you very much. And in customer service policy
IR-7, these are all PI IRs, we asked the question whether
or not -- with regard to complaints and inquiries whether
or not you keep track of any records relating to the
customer satisfaction with regard to the resolution of the
complaint. And you indicated that you don't keep records
of that nature, is that correct?

MR. MAROIS: That's correct.

Q.186 - Right. And in customer service policy 9 you indicated
-- we asked the question whether or not -- from the
complaints and inquiries that you received we asked
whether or not you could do some analysis or whether you
do analysis as to the type of complaint received and the
nature of actions taken to reduce the frequency of
particular type of complaint.

And you indicated in your response that you do not
complete analysis of customer complaints and inquiries, is

2 that correct, Mr. Marois?

3 MR. MAROIS: That's correct.

4 Q.187 - Thank you. And I did ask an IR that indicated that
5 anecdotally from time to time it has occurred that an MLA
6 would sometimes intervene on behalf of a ratepayer of NB
7 Power. And I guess first of all, in your experience does
8 that from time to time occur?

9 MR. MAROIS: Yes, it does.

10 Q.188 - Right. And as a result of those complaints, I take it
11 that's just perhaps an inquiry or a complaint that comes
12 through an MLA rather than directly from the customer,
13 correct? Is that the way it's treated at NB Power?

14 MR. MAROIS: Well I guess it's representative of the
15 challenge with complaints is especially in a company like
16 NB Power is there could be numerous points of entry. It
17 could be the contact centre, it could be the field, it
18 could be directed to myself, it could be directed to the
19 president.

20 Some customer will write directly to the premier, the
21 premier's office, so then the premier writes to us, can
22 you look into this. So there are different points of
23 entry. Once they enter the company they are all treated
24 the same way, into the -- completed and investigated and
25 the facts are reviewed and depending on the situation it's

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resolved.

But at NB Power we are pretty proud of the caring and quality of service we provide, and it's part of our culture to try to resolve issues as they come up.

Q.189 - Well with regard to the quality of caring, I will leave that point, but again just to confirm the record, you don't make or keep any specific records with regard to complaints that would be received from political people?

MR. MAROIS: No, we don't keep records of those.

Q.190 - And I guess you indicated to me there is a number of points of entry to people to make complaints to NB Power, but I take it that generally speaking one of those points of complaint isn't a utility regulator?

MR. MAROIS: What is your question, is not?

Q.191 - Is not.

MR. MAROIS: I can't answer that none have gone to the regulator, but it's not typical.

Q.192 - It's not typical. Do complaints from MLAs receive any special or different treatment by NB Power when they are received?

MR. MAROIS: Not in their treatment. You can imagine if one comes from the premier's office it gets heightened attention when it comes in, but it's resolved -- they are all looked at the same way. It's based on facts.

2 Q.193 - So there would be no advantage to a citizen of New
3 Brunswick calling his MLA to enlist support on a dispute
4 with NB Power?

5 MR. MAROIS: No. What we encourage our customers to do is
6 deal with the issues with the people that are in the best
7 place to resolve them which is at the point of entry.

8 Q.194 - Well I guess my question was there is no advantage to
9 anybody in New Brunswick going to their MLA in order to
10 fight their battle with NB Power?

11 MR. MAROIS: There shouldn't be.

12 Q.195 - And there shouldn't be and I take it your evidence is
13 that there isn't?

14 MR. MAROIS: There is no difference in the treatment, but
15 like I said, if it comes from the premier's office --

16 Q.196 - You give it higher priority but you get the same
17 result?

18 MR. MAROIS: You get the same result.

19 Q.197 - Now the reason I -- I'm not trying to make this, but
20 isn't one of the risks of the fact that there is no
21 independent third party to adjudicate and resolve disputes
22 -- isn't one of the risks of that is that the RSP policies
23 can become subject to politicization?

24 In other words, because there is no where to go to get it
25 resolved, you go to the political arena and politics

2 enter into the decision making? Isn't that one of the risks
3 of not having an outside agency to resolve disputes, Mr.
4 Marois?

5 MR. MAROIS: There is an outside -- the Ombudsman can look
6 into -- call it disputes or issues or concerns.

7 Q.198 - The Ombudsman can intervene but he can't make a
8 binding ruling, can he?

9 MR. MAROIS: That's not my -- yes, that's my understanding.

10 Q.199 - And again he doesn't -- according to your earlier
11 evidence, the Ombudsman is only involved to review due
12 process?

13 MR. MAROIS: I apologize. I'm going to have to get you to
14 repeat.

15 Q.200 - I apologize. I saw you were consulting. My question
16 was that your earlier evidence was that the Ombudsman's
17 role is to not necessarily to change the decision, but
18 just to ensure that a fair process has been followed?

19 MR. MAROIS: That's my understanding. I guess my personal
20 objective and what I try to convey to my entire team is
21 let's avoid these types of complaints or issues period,
22 and what we are doing is consistent application of
23 policies and procedures.

24 It's a challenge in a utility like us that serves
25 province-wide, but we are working hard on making sure that

2 our processes and procedures are standardized so that every
3 customer gets treated exactly the same way.

4 Q.201 - Now other than obtaining a priority for when you get a
5 call from a politician, and I'm just saying generally, it
6 would be your evidence that this has never ever resulted
7 in an inconsistent resolution of a dispute on behalf of a
8 ratepayer?

9 MR. MAROIS: I can't say never never because not everything
10 has gone through me, so there could have been things that
11 I'm not aware of, but those that I am involved with are
12 definitely resolved based on facts.

13 Q.202 - And NB Power's position has never changed as a result
14 of a call from a politician?

15 MR. MAROIS: Same response I think. Saying never is -- I
16 don't know what has gone on before me and I'm not involved
17 in everything that is going on, but --

18 Q.203 - Okay. Perhaps Mr. Larlee or Ms. Arsenault might be
19 able to comment on that. As the result from a call from a
20 politician has NB Power's position ever changed with
21 regard to a concern or an issue raised by a ratepayer to
22 either of your knowledge?

23 MR. LARLEE: Well I personally have never been called by a
24 politician on any question of rate application. I have
25 been involved with some cases that were escalated to the

2 premier's office and then came to me ultimately.

3 And I can just echo Mr. Marois' comment that we apply the
4 policies as consistently as we possibly can, and as a
5 result in my experience our first call is the call that we
6 end up -- is what we end up making in the end.

7 But I can't say for sure that if a politician at any level
8 or of any stipe hasn't found that we have found an error
9 and then we will subsequently correct the error. I mean
10 it doesn't matter who finds an error that we have made, we
11 will work to correct it and make things right.

12 Q.204 - So if the politician can isolate where you have made
13 an error in applying your policy, you would make an
14 adjustment?

15 MR. LARLEE: If any customer or any interested party found
16 an error, certainly, yes.

17 Q.205 - I didn't get Ms. Arsenault's -- she is the one that
18 might get some of these complaints. In your experience
19 has a decision ever been changed or reversed or altered as
20 a result of a call from a politician, Ms. Arsenault? Is
21 it Miss or Ms? What do you prefer?

22 MS. ARSENAULT: It doesn't matter.

23 Q.206 - I like to have respect for your position.

24 MS. ARSENAULT: I appreciate that. Not to my recollection.

25 Q.207 - Now at PI IR CSP-17, I think it's on page 3, and I'm

2 looking at the answer under (vi). It indicates that the RSP
3 manual does not contain a dispute resolution mechanism, is
4 that correct?

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

6 Q.208 - Okay. So with regard to the RSP manual, if the
7 dispute can't be resolved satisfactorily between a
8 customer and with NB Power, it would remain unresolved?
9 And I know you work hard to try to resolve many disputes,
10 but --

11 MR. MAROIS: Maybe we could just clarify the dispute. Is
12 the dispute is in the applicability or in terms of the
13 policy itself?

14 Q.209 - I'm talking with regard to any dispute you may have
15 with a customer. If at the end of the day the situation
16 is not resolved, it remains unresolved, that's my
17 question.

18 MR. MAROIS: Well that's what I was clarifying. Like I
19 said, there are cases where it can get escalated. I mean
20 a customer has different options. Like one of them is
21 Ombudsman, could go to court. There are different ways
22 to --

23 Q.210 - I hear us lawyers are awful expensive.

24 MR. MAROIS: Sometimes the comment will be -- for example I
25 struggle with the definition of complaint because

2 complaint can mean so many things to so many people. I mean
3 some complaints we get sometimes is our rates are too
4 high. Is that a complaint? And if we don't resolve it it
5 doesn't mean that it hasn't been resolved to the
6 satisfaction of the customer. So -- but I mean if there
7 is -- the policy is written the way --

8 Q.211 - Let's say there is a dispute then, if there is a
9 dispute that is unresolved, if you and the client don't
10 reach a consensus as to what is done, then under the RSP
11 manual it remains unresolved?

12 MR. MAROIS: Well if the dispute, for example, is that we
13 haven't applied the policy properly then that would in my
14 mind clearly qualify for something that goes to the
15 Ombudsman.

16 If there is a dispute regarding a meter reading accuracy,
17 there is a procedure that is spelled out which involves
18 Measurement Canada for example.

19 So I think there are cases where there are some clear
20 steps in place to -- because measurement for example is
21 one area where sometimes there could be a dispute. Well
22 measurement -- the meters are controlled by Measurement
23 Canada and Measurement Canada will perform a test if
24 required.

25 Q.212 - So regarding to reading of meters do you recall that

2 in your policy if there is a dispute in reading the meters,
3 you bring Measurement Canada in and they make a decision
4 that is binding on both of you, correct?

5 MR. MAROIS: If the meter is sent for an assessment, yes.

6 Q.213 - If I say my meter is out of whack and you send
7 Measurement Canada in and they find that I'm right, you
8 are going to pay me what you owe me, I understand that.
9 And if they come in and say, Mr. Hyslop, the meter is
10 right, you have had a third party rule that my complaint
11 is not well founded, correct?

12 MR. MAROIS: Correct.

13 Q.214 - Okay. So in regard to meter reading then you have got
14 a third party that resolves disputes, correct?

15 MR. MAROIS: Correct.

16 Q.215 - Right. And according to your manual with regard to
17 meters at the end of the day, that dispute is resolved. I
18 may not be happy with a result which is different but at
19 least it is resolved because a third party intervened,
20 correct?

21 MR. MAROIS: Correct.

22 Q.216 - Okay. Let's take a situation that doesn't involve
23 meters. Who is the third party that comes in and resolves
24 it to make it binding on both of us?

25 MR. MAROIS: Well I believe that's what I tried to address

1
2 previously. If it's an issue of application of the policy,
3 then in my mind the Ombudsman would look at it. If an
4 issue were the policy itself then that's a different
5 story. I mean the policy is a policy.

6 Q.217 - If the Ombudsman said that -- I get a couple of months
7 behind on my bill and I say that I want to pay the
8 deficiency in equal instalments over the next 12 months.
9 The Ombudsman ruled that that's a fair proposal. Would
10 that be acceptable to NB Power? And if so, can you show
11 me where in the RSP manual that process is provided for?

12 MR. MAROIS: I cannot answer that question because we -- we
13 have never lived through such an example.

14 Q.218 - Okay. Well I will change it. I am two months behind
15 in my bill and I propose to pay it off over the next six
16 months, and you say you want me to do it in four. I call
17 in the Ombudsman. He says I think I am being fair with
18 four. Do you accept that? Would that be a binding ruling
19 by the Ombudsman that you would be prepared to accept?

20 MR. MAROIS: My initial reaction is that would not be
21 something that the Ombudsman would look at, but I may be
22 surprised sometimes they interpret the mandate as being
23 broad. So --

24 Q.219 - Is there any place specifically -- I may have missed
25 it and I tried to be as careful as I could when I went

2 through your customer service policy. Is there any place in
3 the policy itself where the Ombudsman is referred to?

4 MR. LARLEE: No. No, the Ombudsman is not mentioned in the
5 manual.

6 Q.220 - Okay. I have given you one hypothetical and I have
7 got another one, so we will work our way through this and
8 see how it would get handled.

9 Let's suppose I am a housing contractor and I just bought
10 a nice piece of land up on the headpond and I propose to
11 put a 100 unit housing development in there. And I'm not
12 going to get into complicating it by saying whether it's
13 above ground or under ground. But if I looked at the
14 tariff item I ISP 2 I understand that NB Power can recover
15 the difference in construction cost between what NB Power
16 normally supplies and what the customer requests and is
17 provided. That would be part of your policy manual. I
18 believe I read directly from the manual.

19 MR. LARLEE: Yes, that sounds like the right words. Do you
20 have a reference in the RSP manual?

21 Q.221 - I got item I, I think it's ISP 2 is what I noted, Mr.
22 Larlee.

23 MR. LARLEE: Section I of the manual is the section that
24 deals with extension of facilities underground.

25 Q.222 - Okay. And would the same principle apply to over as

2 well -- well even if it is underground but I'm not going to

3 make an issue of whether it's underground or over ground.

4 What I want to know is I'm coming in and you are going to

5 send me a bill -- or you are going to explain to me the

6 difference in construction costs between what NB Power

7 normally supplies and what the customer requests and is

8 provided with regard to the provision of services.

9 I am looking at page I-2 I believe -- or section -- okay.

10 I'm looking at I -- page I-2. I'm sorry. It does

11 provide for optional underground facilities charge, and it

12 says, the optional underground facility charge recovers

13 the difference in construction costs between what NB Power

14 normally supplies and what the customer requests and is

15 provided. Is that what it says, Mr. Larlee?

16 MR. LARLEE: Yes, that's correct, for underground. The

17 overhead policy is -- it's a different policy because

18 overhead facilities are standard facility, and we have

19 described the policy in some detail in response to PUB IR-

20 8, yes.

21 Q.223 - And I'm not getting into -- I assure you, panel, that

22 I'm not getting into your policy whether or not you do or

23 don't do underground wiring. What I want to focus on is

24 the phrase, difference in construction costs between what

25

2 NB Power normally supplies and what the customer requests and
3 provided. I'm focusing on costs. Okay.

4 MR. LARLEE: Okay. Just for clarification, the term
5 normally provides in this context refers to standard
6 facility. So if you like we can go to section H which
7 refers to --

8 Q.224 - No, I'm not going to. You give me a price and there
9 is no disagreement between you and me as to what the rules
10 are. Okay. I have read your manual and I'm satisfied
11 with it. So you give me a price for this extra cost. And
12 I look at it and I say, whoa, that's way out of line.
13 So I go and I hire a couple of good engineers and they sit
14 down and figure out based on your policy what the cost
15 should be. And we are \$100,000 apart. My engineers say
16 you are overcharging me by \$100,000. And this is a big
17 subdivision. I'm going to put 125 homes in this.
18 We go to a couple of meetings and I'm sure as businessmen
19 and honourable men we try to resolve our differences, Mr.
20 Larlee. And you tell me finally at the end of the day
21 your bottom line for this is \$100,000 and I say it
22 shouldn't cost me a cent over \$80,000. My question.
23 Which one of us is being unreasonable?

24 MR. MAROIS: I guess three elements to my response. In my
25 mind, it is not who is right and who is wrong in the case

1
2 like that. And we would work with the contractor to make sure
3 that our estimate is right and if they have any input to
4 give us, we would definitely listen. But at the end of
5 the day, we are the ones building the facilities.

6 And after that discussion, I mean we know the costs we are
7 going to incur to build it. So we would have to proceed
8 with our costs after listening to the customer. But in a
9 typical example of an overhead facility new subdivision,
10 over and above what I have just said, in most cases the
11 customer will get refunded his contribution anyway after
12 he sells his lot.

13 So in the case of a contractor, it is kind of a temporary
14 problem, if there is one.

15 Q.225 - Now again I go back, we are \$25,000 apart and it is
16 obviously we are not going to agree. Would it be fair to
17 say that my choices are the following.

18 My first choice is to accept your price and go ahead with
19 my subdivision. That will be one of my choices. Correct?

20 MR. MAROIS: Yes.

21 Q.226 - Another choice I have got is to just walk away and
22 forget about the subdivision. Isn't it?

23 MR. MAROIS: Yes.

24 Q.227 - Okay. I don't have the choice of finding another
25

2 supplier of electricity in the province of New Brunswick. Do
3 I?

4 MR. MAROIS: No. Not for the distribution, no.

5 Q.228 - So in the interest of going further with commercial
6 developments, why wouldn't a binding dispute resolution
7 procedure be good for both NB Power and for the customer
8 in a case like this?

9 MR. MAROIS: Well I guess my answer I think would be more
10 practical than philosophical in the sense that first of
11 all, my understanding is that's not an issue. If it is it
12 is isolated.

13 But secondly is just from a practical point of view,
14 administering something like that where we would
15 potentially get into a dispute resolution each time we
16 provide a quote to a contractor, I mean, would be
17 something that would be very hard to manage.

18 I mean, from our perspective, as long as we have an open
19 communication with the contractor and make sure that we
20 plan -- our plan is the right one, there is not even any
21 profit on our -- margins built into our costs. They are
22 truly our costs, costs that we will incur that we have to
23 recover.

24 So I think it is something that would be very hard to
25 manage.

2 Q.229 - My high-powered engineer tells me that your costs are
3 way out of line, Mr. Marois, but I think the point is
4 made.

5 Would it not surprise you, panel, that in many
6 jurisdictions the regulator provides dispute resolution
7 services between customers and utilities?

8 MR. MAROIS: Well again it depends on the regulatory or
9 legal framework. In some instances the regulator plays
10 that role and --

11 Q.230 - I'm sorry, I'm having a hard --

12 MR. MAROIS: In some instances the regulator might play that
13 role because it is in their mandate. So it is case by
14 case, I believe.

15 Q.231 - Right. So it doesn't surprise you to understand that
16 in some jurisdictions regulators do play that role?

17 MR. MAROIS: Well I mean, there is nothing that surprises me
18 because I mean, when you look across the country you can
19 imagine all sorts of different scenarios. Again, that
20 come from different history, come from a different
21 context.

22 Q.232 - And in many of those jurisdictions when there is
23 differences between a ratepayer and the utility, would I
24 be correct in saying that a utility is required to advise
25 the customer at some stage of the process of their right

2 to refer the matter to a third party to resolve a dispute?

3 MR. MAROIS: That would often be the case, yes.

4 Q.233 - Yes, thank you. For example, and this is for example,

5 Mr. Marois, that in the province of Quebec, a complaint

6 procedure shall be established by the electric power

7 carrier and every distributor and submitted to the Regie

8 for approval and publish the procedure in the newspaper.

9 That would be the way they handle it in Quebec?

10 MR. MAROIS: Yes, because it is in their legislation. The

11 legislation has given that mandate to the --

12 Q.234 - Sure. That is all I am getting at is that it does

13 exist.

14 MR. MAROIS: Yes.

15 Q.235 - And I do appreciate that it is in their legislation

16 and not in ours.

17 MR. MAROIS: Our Act does provide for similar things in

18 different -- for limited circumstances. For example, in

19 terms of the cost for embedded generation, for example.

20 Q.236 - For the costs for what?

21 MR. MAROIS: Embedded generation.

22 Q.237 - Yes.

23 MR. MAROIS: If there is no agreement between parties, the

24 Board can decide on what is the embedded cost. The same

25 with exit fees. So there are some specific provisions in

2 the Act where the Board can play that role.

3 Q.238 - Right. And in fact the Board -- one of the mandates
4 of the Board I think was to deal with exit fees? If
5 somebody left the grid, I think?

6 MR. MAROIS: Yes.

7 Q.239 - Okay. I appreciate that. But there is nothing -- no
8 procedure you are aware of in our legislation or in any
9 regulatory -- or any provision of NB Power that says if
10 you and I are disputing -- have a dispute over the terms
11 where I can repay my bill, that I can go to some third
12 party who will decide between us, is there?

13 MR. MAROIS: Subject to the Ombudsman, no.

14 Q.240 - Thank you. In Ontario, an electricity retailer is
15 subject to a code of conduct which requires if any low
16 volume customer makes a complaint to a retailer regarding
17 retailing by the retailer or its sales person, the conduct
18 of the retailer or sales person, the contract the consumer
19 has with the retailer and any other matter related to the
20 retailer, the retailer shall expeditiously investigate the
21 complaint and shall take all appropriate and necessary
22 steps to resolve the complaint.

23 If the complaint is not resolved to the satisfaction of
24 the customer, the retailer shall provide the consumer the
25 telephone number of the Ontario Energy Board customer

2 service centre.

3 There is nothing like that in New Brunswick that applies
4 to NB Power, is there, Mr. Marois?

5 MR. MAROIS: No. But that is a very, very specific context
6 you read there. I mean, that is for a retailer.

7 Q.241 - Yes.

8 MR. MAROIS: Retailers are typically non-regulated. It is a
9 little bit like in New Brunswick when the PUB awarded
10 licenses for gas retailers. Other than awarding the
11 licenses, these people are on their own so you need a code
12 of conduct to -- and a complaints procedure to protect the
13 public. That is the only way you can do it.

14 Q.242 - And that is in a non-regulated environment. Correct?

15 MR. MAROIS: Yes.

16 Q.243 - Okay. I think in the cross-examination we have gone
17 through earlier today, Mr. Marois, you correct me if I'm
18 wrong, our current legislation I think generally leaves it
19 up to NB Power to decide what a customer service policy
20 should be. Correct?

21 MR. MAROIS: Correct.

22 Q.244 - Right. And the application of those different
23 policies is subject to the discretion and application of
24 NB Power with the possible exception of the Ombudsman
25 stepping in from time to time without any other third

2 party involvement. I think that is your evidence?

3 MR. MAROIS: There is no official third party but if you
4 look at the history --

5 Q.245 - No.

6 MR. MAROIS: Let me answer, if you look at the history of
7 regulation everywhere, but in Canada in particular,
8 typically crown corporations have been regulated
9 differently than private companies for a host of reasons.
10 And one of the reasons, it is considered an extension of
11 government and that is the reason why the Ombudsman
12 applies to us. Because we are a government agency.
13 If it was known that the utility did something that was
14 inappropriate, the government -- the -- always has the
15 possibility of intervening. So I can reassure you that in
16 the case of DISCO we endeavour to comply with our policies
17 and procedures the best we can in order to provide quality
18 service.

19 Q.246 - I am not disputing that you do the best you can at
20 all, Mr. Marois. But I am going to make the suggestion
21 based on the fact that you are given a free hand to set
22 the customer service policies, you are given a free hand
23 to administer to them without anybody, would I not be
24 correct to suggest that you are largely unregulated? And
25 I appreciate you are going to tell me that you are

2 unregulated because you are a government-owned utility.

3 MR. MAROIS: Well to find that we have a free hand, I think

4 -- I think --

5 Q.247 - Tell me the politicians don't interfere? They have no
6 effect?

7 MR. MAROIS: No, no, it's not -- we spent -- the reason we
8 are here today is because we are a utility. If we had a
9 free hand, we wouldn't be sitting here today debating our
10 customer policies in front of the Board. These were
11 debated in large in 1992. They were very public.
12 Comments were made. So to say that we have a free hand, I
13 think is a loose interpretation.

14 Q.248 - Well, do you ever have -- you don't have the Public
15 Utility Board phoning up and ordering you to treat a
16 customer in a certain way, do you?

17 MR. MAROIS: No, that's not the point I was making. The
18 point I was making is our policy and procedures get well
19 vetted. And there are numerous forums for people to make
20 comments and suggestions and we incorporate them as best
21 we can.

22 Q.249 - And I appreciate -- and there may be some
23 misinterpretation. I don't doubt for a second Ms.
24 Arsenault and her staff do the very best they can to try
25 to resolve disputes. But what I am getting at is there is

2 not a hammer hanging over you with a regulator that is going
3 to order to do something that you don't want to do.

4 Correct?

5 MR. MAROIS: I think we have made that clear --

6 Q.250 - Thank you.

7 MR. MAROIS: -- that that's not in the legislation.

8 Q.251 - Sure. Okay. And just to go on just a little closer
9 to home, and I appreciate Emera is a stock owner-owned
10 company, but in Nova Scotia, if a company and customer are
11 unable to resolve a dispute in a mutually satisfactory
12 manner, the customer may contact the company's dispute
13 resolution officer as designated.

14 The dispute resolution officer shall be appointed by the
15 company and have no direct line responsibility for
16 billing, credit, collection or electrical supply of the
17 customer. My question, does NB Power have a dispute
18 resolution officer who is independent of the billing,
19 credit, collection, electrical supply line of command at
20 the company?

21 MR. MAROIS: No, we do not.

22 Q.252 - Thank you.

23 MR. MAROIS: Again, I think the context is important. And
24 you and I have a different opinion from that perspective.

25 But my understanding is a lot of the legislation that was

2 introduced in Nova Scotia was introduced as part of
3 privatizing the utility. So that also has to be taken
4 into account.

5 Q.253 - I see. And would it further surprise you if that
6 after the involvement of the dispute resolution officer, a
7 customer wasn't satisfied the Nova Scotia regulator would
8 have jurisdiction?

9 MR. MAROIS: No, it wouldn't surprise me.

10 Q.254 - Thank you.

11 MR. MAROIS: In the case, they don't have the equivalent of
12 the Ombudsman, for example, either.

13 Q.255 - Ms. Arsenault, if I call your 800 number, how long do
14 I have to wait till somebody answers?

15 MS. ARSENAULT: On average, it could be up to 30 seconds,
16 less or more, depending on the volume of calls coming in
17 at a time.

18 Q.256 - What is your standard for how long a customer should
19 wait before somebody answers?

20 MS. ARSENAULT: The target is 30 seconds.

21 Q.257 - The target is 30 seconds. Do you test this?

22 MS. ARSENAULT: Our telephone system gathers that
23 information on a half hour or sooner than that increment.
24 So do we measure it? We measure the number of seconds
25 our customers wait. And how quickly we answer.

1 - 115 - Cross by Mr. Hyslop -

2 Q.258 - So what percentage of customers would have to wait
3 more than 30 seconds? And when is the last time you made
4 a test for this? Well first, do you test for it
5 regularly?

6 MS. ARSENAULT: Pardon me?

7 Q.259 - Do you test for it regularly? How often do you test
8 to see how it takes for the phone to be answered?

9 MS. ARSENAULT: It's not a test that we do. It's measured
10 by the call volumes that come in, the number of agents
11 that are --

12 Q.260 - The call --

13 MS. ARSENAULT: -- call volumes. Number of calls coming in.
14 It's a measurement of knowing traffic, call traffic. And
15 our target is on a year basis. So we target to achieve 30
16 seconds. And today we are at -- I believe year to date
17 around 40 seconds. So it's not a test. It's something
18 that we measure on a daily basis, hourly, every 15, 20
19 minutes, we know what our average speed of answer is.
20 And we know then, therefore, to add more agents on the
21 phone to take incoming calls. And it permits us to allow
22 to measure that. So it's not a test that we do. It's
23 something that we measure with having our telephone
24 system.

25 Q.261 - So you measure this? You measure how long it takes

2 peoples' calls to be answered?

3 MS. ARSENAULT: It's available, yes, for us to monitor during
4 our hours of operations at all times.

5 Q.262 - So you are monitoring at a particular time how long
6 people have to wait? I am just trying to understand
7 exactly what you are doing, that's all.

8 MS. ARSENAULT: So just to be clear, our target is a year
9 end target of 30 seconds. But this is a measurement that
10 we have and we monitor all the time. So we have
11 supervisors or specialized agents that monitor the call
12 volume to ensure that we are able to answer to our
13 customers as quickly as possible.

14 Q.263 - And I guess you would have records at any particular
15 time of how long it would take to answer the phone. So if
16 I said to you on -- for last Thursday for every hour could
17 you tell me the average wait time for customers before
18 their call was answered, you would be able to tell me
19 based on your measuring?

20 MS. ARSENAULT: Subject to check, yes, I believe it is
21 available.

22 Q.264 - It is available. Okay. Well look I am going to ask
23 you to do last week for me. Could you do that subject to
24 check?

25 MR. MORRISON: Can I just see what's involved in that? You

2 mean day by day for every day last week?

3 MR. HYSLOP: Hour for hour between 7:00 a.m. and 7:00 p.m.

4 MR. MORRISON: We have it for hours of operation which are
5 8:00 to 6:00.

6 MR. HYSLOP: 8:00 to 6:00. That will be fine. Thank you.

7 MR. MORRISON: Yes.

8 Q.265 - And your test is 30 seconds, Ms. Arsenault, or your
9 standard?

10 MS. ARSENAULT: I am sorry. Can you repeat the question?

11 Q.266 - Yes. Your standard is 30 seconds?

12 MS. ARSENAULT: Our target is to achieve 30 seconds.

13 Q.267 - Okay. You used the word, target. Then do you have a
14 standard? I am just playing with words or --

15 MS. ARSENAULT: It's a standard. It's --

16 Q.268 - Yes.

17 MS. ARSENAULT: Yes.

18 Q.269 - So your standard is to answer every call within 30

19 seconds? That would be your standard or is there a

20 percentage of calls you want to answer in the 30 seconds?

21 MR. MAROIS: I think we are talking like this -- the target

22 is an annual target. Because there is a lot of things

23 that could influence your ability to meet the target at

24 any given time. For example, you could have an influx of

25 calls. Something happens and all of a sudden boom. So

2 you got a mismatch of resources. So you cannot try to meet
3 that target all the time. You strive to be as close to it
4 as you can to avoid -- but if you look at any contact
5 centre, the targets or the ability to respond will go up
6 and down depending on the events, depending on your staff
7 and all that.

8 Q.270 - Have you been employed with or worked at a contact
9 centre over the years, Mr. Marois?

10 MR. MAROIS: Well in my 20 years -- 22 years in the utility,
11 there has always been contact centres.

12 Q.271 - Always been contacts. Okay. I will take that. What
13 I am trying to get at, NB Power established a standard. I
14 am going to give you a standard that 75 percent of the
15 people that call in will have their call answered within
16 30 seconds. Now that's a standard. Is that a standard
17 that you try to achieve? What percentage of people to do
18 you want to answer the calls within 30 seconds? If you
19 can't and it's just an average, I will accept that, too.

20 MS. ARSENAULT: Subject to check, I believe it's 80 percent
21 of the time for the 30 seconds.

22 Q.272 - And if the standard is different that's not a problem.

23 And do you measure the amount of time that that standard
24 80 percent within 30 seconds is measured? Do you keep
25 control of that? In other words, what happens if 40

2 percent of the calls are taking more than 30 seconds to
3 answer over a period of time. What happens if that was to
4 take place? What management reaction would occur?

5 MS. ARSENAULT: Just to make sure, would you repeat the
6 question, please?

7 Q.273 - Yes. What I am asking is if it was discovered that
8 instead of your standard 80 percent of the calls being
9 received within 30 seconds dropped to only 60 percent of
10 the calls being resolved in 30 seconds, what happens?
11 Do you have a report every month that goes out -- I'm
12 getting ahead of myself, but do you get a report that goes
13 out every month that tells how you are doing with regard
14 to your 80 percent in 30 seconds?

15 MS. ARSENAULT: Yes, we do have that information. Yes.

16 Q.274 - And is it a monthly report?

17 MS. ARSENAULT: Yes. We do look at it monthly.

18 Q.275 - Okay. And what I want to know is what corrective
19 action takes if you are not meeting the standard?

20 MS. ARSENAULT: Some of the corrective actions that we take
21 is we look at the resources that are available and ensure
22 that we look at the different focus groups that we have,
23 and we can try to resource accordingly to ensure that we
24 are there to answer the calls.

25 What we can do as well is to look at the target areas

2 that are being questioned and see if we need to prepare some
3 frequently asked questions, look at streamlining some of
4 those calls. So we definitely look at resources, we may
5 need to get help from another area within our
6 organization. We look at the volumes from Monday to
7 Friday.

8 What we have seen is Mondays sometimes can be of high
9 volume. So therefore we limit sometimes our outbound
10 calls or our outgoing calls to be there to answer the
11 calls for our customers.

12 Q.276 - And you have this monthly report. Could you put on
13 the record the last 12 months' reports as to how you are
14 doing with the standard, Ms. Arsenault?

15 MR. MORRISON: Yes, we can do that.

16 Q.277 - Thank you.

17 CHAIRMAN: Thank you, Mr. Morrison.

18 Q.278 - Now another area. Do you have standard for how long
19 it would take? I am going to build a new home, I need to
20 get hooked up for some electricity. Do you have a
21 standard how long I have to wait for that to occur?

22 MR. MAROIS: Yes, we do.

23 Q.279 - What is the standard, subject to check? I'm not going
24 to get into a debate over whether --

25 MR. MAROIS: We have two standards. One is for a temporary

2 service, I believe it's five days --

3 Q.280 - Yes.

4 MR. MAROIS: -- and one is for a permanent service, I
5 believe it's nine days.

6 Q.281 - Nine days. And with respect to this standard, can you
7 tell me -- do you test to see how often you meet or don't
8 meet the standard?

9 MR. MAROIS: Yes, because it's part of our scorecard. It's
10 a measure on our scorecard. One thing I would like to say
11 is all that is being reviewed right now because we have --
12 as part of our change plan for the next couple of years
13 one of the things we are doing is we are revisiting all of
14 our service standards, and one of the things we are doing
15 right now is we are consulting our customers. We are
16 doing market research, focus groups and surveys to
17 determine what are their expectations, and -- for all our
18 key service offerings, and then we are going to revisit
19 our standards and then make sure that we are positioned to
20 meet those standards.

21 Q.282 - And look, I am encouraged by that answer, Mr. Marois.

22 And my question is are you consulting with outside groups
23 with regard to the establishment and setting of these
24 standards?

25 MR. MAROIS: With customers. We are consulting with

1 - 122 - Cross by Mr. Hyslop -

2 customers. We are also going to be --

3 Q.283 - When you say customers, what do you mean by customers?

4 MR. MAROIS: Well it's funny you ask that because typically
5 the electric customers --

6 Q.284 - Electricians?

7 MR. MAROIS: No, no. The electric -- our end users. But
8 for new construction, electricians are a subset of that
9 group that we want to meet with because it's important
10 that we are ready when they need to be ready but they are
11 also -- important that they are ready when we are ready.
12 So we work closely together and one may impede the work of
13 the other. So that's a subset or subclass of a customer
14 group that we are going to be serving as part of it.

15 Q.285 - So you are going to be doing this by survey?

16 MR. MAROIS: Well we have retained a firm -- a communication
17 firm. So far our residential customers -- for example,
18 they have done focus groups and then they are going to be
19 validating that through a telephone survey. Probably with
20 electricians will have focus groups, sit down with them
21 and have a discussion on what is important to them.

22 Q.286 - Do you file these standards with any regulator?

23 MR. MAROIS: No.

24 Q.287 - And I will be careful with this one, Mr. Marois,

25 because I'm not sure I wouldn't be unsympathetic to your

1
2 position on this one, but would you be aware in the State of
3 Vermont the regulator has standards for the utility with
4 respect to the quality of services it provides to utility
5 ratepayers, and that these standards are in fact approved
6 by a regulator?

7 MR. MAROIS: No, but what I do know is typically when
8 regulators impose standards it's tied into some form of
9 performance regulation scheme. So if the utility can keep
10 more money then it's tied into not impacting certain
11 customer service levels.

12 Q.288 - And I think that's exactly the case in that
13 jurisdiction. And you have also -- you may or may not be
14 aware but I think -- I don't think we are far apart on
15 this one, but in Vermont when standards aren't met, the
16 utility is required to file with it remedial plans and how
17 it intends to get there. That doesn't surprise you I
18 expect, Mr. Marois?

19 MR. MAROIS: Well it goes with the quid pro quo. If you are
20 able to make more money then sometimes there are certain
21 things that go with it.

22 Q.289 - Sometimes a regulator might be a good thing, Mr.
23 Marois.

24 MR. MAROIS: We are still striving just to pay the bills.

25 Q.290 - Right. There you go. So in other words, in those

1
2 areas if you are meeting those standards the profit margin for
3 the utility can actually improve?

4 MR. MAROIS: I'm a strong believer in incentives.

5 Q.291 - I would be happy to negotiate those incentives with
6 you before the Board. Just to let you know where I'm at,
7 and I'm willing to keep going. I have two major areas of
8 cross-examination left.

9 I would estimate that based on the fact we seem to be
10 making a little better progress as we go along, I'm going
11 to say an hour-and-a-half. So you can take that as
12 probably two hours. I don't know the Board's plans for
13 the time it set in view of the evening hearings, Mr.
14 Chair.

15 CHAIRMAN: I think what we will do we will break for the
16 evening and we will reconvene tomorrow morning at 9:30,
17 because we have a 7:00 o'clock session tonight.

18 MR. HYSLOP: That's what I wasn't aware of.

19 CHAIRMAN: So if we don't see you tonight we will see
20 everybody tomorrow morning at 9:30.

21 (Recess - 3:40 p.m. - 7:00 p.m.)

22 CHAIRMAN: My name is David Nelson. I'm Chairman of the
23 Public Utilities Board. And I would just like to take
24 this opportunity to thank those of you who braved the
25 weather to share your thoughts on the customer service

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policies of NB Power Distribution and Customer Service.

Along with that, a number of people have rescheduled -- that were on for tonight have rescheduled to tomorrow night because of the weather.

Your comments are important not only to the Commissioners here but also to the management of the company. I know that they are here and they will listen carefully to the things you have to say.

To help people with these presentations I remind you that the portion dealing with rates and charges was completed earlier this year. This portion of the hearing is specifically to deal with customer service policies of the company. So it would be helpful if comments are limited to those issues.

If anybody has any presentation and they have them in written format or whatever, if you could give a copy of it to the secretary, Ms. Légère, it would be appreciated.

So to begin the first up is Jeanne Chruikshank of the Canadian Council of Grocery Distributors. Excuse me. I have got an awful cold. I have been fighting it all day.

David Ellis of the New Brunswick Electrical Contractors Association. Mr. Ellis?***

MR. ELLIS: Thank you very much, Mr. Chairman. And let me say it's a pleasure to be here this evening and I

2 appreciate the fact that the Board staff were so cordial and
3 gave me such good assistance in being here this evening on
4 very short notice. It was only last week -- late last
5 week that I was able to contact them and make arrangements
6 to be here with you this evening. So I very much
7 appreciate the opportunity to speak with you.

8 I want to assure you that I will be very brief and I don't
9 have a lengthy speech -- written speech to deliver to you,
10 and I apologize in advance for any disappointment that
11 that causes among the Board members. I just have a few
12 short remarks that I would like to make with you.

13 Just a bit of background. I'm here representing the
14 members of the Electrical Contractors Association of New
15 Brunswick. Our association is the Accredited Employer
16 Association for Union Shop Electrical Contractors in the
17 Province of New Brunswick and we are a relatively small
18 group of the relatively larger contractors that operate in
19 this province. Most of our contractors are either
20 provincial in scope or regional and a number of them are
21 national companies operating here in New Brunswick. I can
22 see that the Board gets a list of our members if it is of
23 interest to you subsequently.

24 The issue that brings me before you this evening is a
25 customer service issue. It pertains to the charge which

1
2 is levied by NB Power when member contractors of our
3 association request services of connection, reconnection,
4 temporary power and so on from NB Power.

5 And I know it may sound when I say that that I am heading
6 towards the issue of the rate structure and I assure you
7 that I am not, you were very clear about that, and I'm not
8 here to raise with you any issue or any complaints
9 regarding the rates themselves that are charged for these
10 services, nor am I going to attempt to argue before you
11 that there should not be any increase to these rates.

12 We know that these charges are a necessary part of NB
13 Power's business. NB Power has costs that they have to
14 cover in providing the services that they do to our
15 members, and I'm not here to try and persuade you that
16 those charges should not be levied or that they are unfair
17 or that you should not consider on a timely basis whether
18 or not those charges ought to be increased.

19 Our contractors most of the time are operating as you can
20 imagine as suppliers to NB Power. They do the
21 construction and maintenance work in NB Power's generating
22 stations. One of our members is the prime contractor on
23 the international power line from Point Lepreau to
24 Orington. And most of the time they are as I say

2 suppliers. But occasionally when they are working for a third
3 party and they need to request services of as I said
4 temporary power, disconnection, reconnection and so on,
5 that casts them in the role of customers of NB Power, and
6 that's what I'm here to speak with you tonight.

7 Specifically we are referring to the payment process that
8 the Commission imposes when these fees are payable by one
9 of our member contractors. And I am advised by our
10 members that until relatively recently, and by that I am
11 going to suggest that means somewhere around the middle of
12 2005 this matter was first brought to my attention. But
13 up until approximately that time when one of our member
14 contractors needed to request the service from NB Power,
15 they could contact the nearest regional office, and
16 arrange with the staff there for an NB Power crew to
17 provide the necessary service. And they would pay the fee
18 on the spot by providing a credit card number.

19 And that process worked very well for our members up until
20 the time when they were notified by NB Power that that
21 process would no longer be available.

22 The new process I am again advised by our members is that
23 the contractor is now required to provide NB Power with a
24 paper instrument of payment, such as a bank money order or
25 certified cheque or similar instrument. And I

2 think that those of you on the Board who have a business
3 background can see the impact that that would have,
4 particularly on a small business such as some of our
5 members are.

6 And the member who first brought this matter to my
7 attention advises that he described the process that he
8 now has to go through. His business is located in
9 Riverview. And when he needs to order this service he
10 calls the regional office in the Moncton area. He then
11 has to send in a staff member, put that staff member in a
12 vehicle. The staff member drives to the bank branch in
13 downtown Moncton where the business has its accounts. Has
14 to purchase a money order, a physical money order on a
15 piece of paper, and then has to drive that piece of paper
16 to the regional office out on Route 2 on the east side of
17 Moncton.

18 And I think that Board members can quickly see that we you
19 talking about a staff member whose total compensation on
20 an hourly basis may be \$50 or more cost to the contractor,
21 putting him in a vehicle that maybe cost 35 to \$50,000,
22 burning a dollar a litre gasoline, multiply that by the
23 hours and the kilometres and so on, and it's a fairly
24 significant overhead charge to accomplish a transaction
25 that used to be done through a simple credit

1 - 130 - Mr. Ellis -

2 card payment.

3 And I think that the Board members can see that there is
4 an obvious customer service aspect to this and our purpose
5 in appearing before you tonight is to see if through the
6 good offices of the Board we can't make some progress on
7 this issue.

8 And I want to tell you -- and I am going to tell you this
9 because I do want to be complimentary to the Commission in
10 a way because I want to give credit where credit is due.

11 We tried -- we made a number of attempts actually to deal
12 with this issue directly with the Commission, and I'm
13 looking at an extract of my log -- my personal log where I
14 spoke with Mr. Marois who is here with us this evening I
15 believe -- I spoke with Mr. Marois on September 7th of
16 2005 and we had a very pleasant conversation. I
17 compliment him for the conversation that we had. He was
18 very courteous and helpful.

19 And I explained the issue as I am explaining it to you
20 now. And his response was that he thought that it looked
21 like there was an issue that we needed to address and that
22 we could address. We had a very pleasant conversation and
23 he said that he would look into the matter.

24 And true to his word, a couple of days later another
25 gentleman by the name of Frank Bourque from NB Power

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called me back and we had another very pleasant conversation.

And I went through the issue with him again, and his reaction was very similar to that of Mr. Marois, in that he said it sounds like there is an issue there that needs to be addressed and I think we can address it, and let me look into it and I will get back to you.

And that's where my file on the matter ends. There was simply no further response from the Commission since September 9th of 2005.

We think that this is a fairly simple and straight forward issue and I'm almost regretful in a way that we have to bring this issue to your attention, but as I said we have tried to deal directly with the Commission on this. My members assure me that as of our most recent meeting, which was Friday of last week, that as far as they are aware this payment policy remains in place and that they are still having to incur the high overhead costs that they are having to incur in order to make their payments.

An additional dimension of the issue is that the same contractors are telling me that not only do they have to go through all of this in order to make these payments, but they have also found out the hard way that they really

2 need to follow up after they deliver the payment instrument to
3 the NB Power office because they have had instances where
4 for whatever reason the piece of paper once delivered to
5 the receptionist or whoever at the office that they are
6 dealing with -- in some cases the piece of paper doesn't
7 find its way through the bureaucracy to whoever is the
8 correct person at the local office. And the first the
9 contractor knows that that hasn't transpired is when the
10 crew from NB Power doesn't show up to do the work at the
11 expected time and place. And so that's sort of from the
12 perspective of the contractor perhaps a little bit of
13 insult to injury with this policy.

14 Our contractors also assure us that the other utilities
15 that they routinely deal with, such as Saint John Energy
16 and Nova Scotia Power principally, have always accepted
17 credit card payments for these types of transactions and
18 continue to do so today. And so again we are a little bit
19 perplexed that NB Power doesn't -- still doesn't seem to
20 want to do this.

21 I will conclude by saying that I think that there are
22 three ways that we would be open to seeing this matter
23 resolved.

24 The most obvious one of course is that we would like
25

2 to see NB Power simply resume its earlier practice of
3 accepting credit card payments for these types of
4 transactions.

5 A second possibility is that a contractor who is in good
6 standing with the Commission and has an established
7 reputation in the local area could be billed after the
8 fact, simply call, request the service, and be billed
9 after the fact for whatever is the appropriate amount.

10 And again my contractors are telling me that they have
11 raised or at least attempted to raise that possibility
12 with the local offices but have been told that, for
13 whatever reason, that that's not possible. And just a

14 couple of weeks ago I received from one of my member
15 contractors -- I have here a copy of an invoice that he
16 received from NB Power for a number of parts that he
17 purchased from NB Power on a particular job that he was
18 doing, and he went to -- he tells me he went to their
19 local depot and picked up these small parts. The total

20 bill with tax was \$135.64. And the contractor sent me a
21 copy of the invoice, I have it here in my hand, and he
22 just added the note on it, he said it seems strange that

23 he can purchase a piece of -- a part from NB Power and be
24 billed after the fact but when he wants to purchase a
25 service in roughly the same value as this invoice he is

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told that no, he can't do that. He has to make a payment in advance in this very awkward manner that he is being required to do.

So I guess our view was if NB Power was able to invoice a known contractor after the fact for a small piece of equipment that he purchases it seems logical to us that he should be able to do the same for a regular routine service that he purchases almost on a weekly basis.

And the final possibility, if for any reason neither of those two payment methods is available to us, then the third possibility that we would like the Commission to consider is some sort of a top-up account where the contractor would pay a certain amount in advance and the money would be there and then as the contractor required service he could draw against that amount, and hopefully if that process were put in place and it worked then someone from NB Power could alert the contractor when that top-up account was drawn down to a certain amount and the contractor could pay it back up.

Any of those methods would be acceptable to us as a lower cost alternative to the payment that NB Power seems to be requiring now.

And I guess I will just conclude by saying that it

2 does seem troubling to us that from where we sit this appears
3 to be a case of the Commission solving a two cent problem
4 of its own by imposing a dollar solution on somebody else.

5 And we would just like to see the Commission be a little
6 bit more co-operative with us and work with us to
7 implement something that will work for them, and we
8 understand they have needs and the process has to work for
9 them, but in a manner that doesn't impose these heavy
10 unnecessary costs on our local contractors.

11 That's the issue that I would like to raise with you this
12 evening and I think -- I am hoping that in the interest of
13 good customer relations with the Commission you and the
14 Commission can perhaps work together to solve that issue
15 for us.

16 Thank you, Mr. Mr. Chairman.

17 CHAIRMAN: Thank you, Mr. Ellis. If you just want to remain
18 there for a moment. If I could just ask for my fellow
19 Commissioners --

20 MR. ELLIS: Sure.

21 CHAIRMAN: What was the previous -- how were you doing it
22 previously, with a credit card, and that was at the local
23 office.

24 MR. ELLIS: My understanding is that it was basically
25 operated as a clerical function. The contractor who

2 needed the service at such and such a place would have
3 somebody in his office contact somebody in the NB Power
4 office and arrange for let's say a reconnect or a
5 disconnect service at a certain time at a certain place,
6 and the person at the NB Power end would say, okay, the
7 fee for that is going to be whatever, and the person in
8 the contractor's office would then provide the credit card
9 number over the phone, and the fee would be billed to that
10 credit card number.

11 CHAIRMAN: So it was done on the phone on that basis?

12 MR. ELLIS: That is my understanding, Mr. Chairman.

13 CHAIRMAN: A large percentage of it or whatever?

14 MR. ELLIS: Yes.

15 CHAIRMAN: Other times they would have to go to an office
16 with the credit card and --

17 MR. ELLIS: Well I'm not saying that that never happened. I
18 don't know for a fact that that never happened but I'm
19 told that the norm was the transaction could be completed
20 over the phone.

21 CHAIRMAN: Okay. So the norm was over the phone where now
22 physically you have to go to the bank and then in turn go
23 to the office?

24 MR. ELLIS: Correct.

25 CHAIRMAN: Okay.

2 MS. LEBLANC-BIRD: And you did say that the merchant or the
3 contractor that had sent you the bill with the note on the
4 bottom on it, they were able to get services on account
5 but they were not able to get -- they could get product on
6 account but not services on account?

7 MR. ELLIS: Correct. That's correct. He was able to buy a
8 small number of parts which in their aggregate plus tax
9 added up to \$135.64, and he was invoiced after the fact
10 for it.

11 MS. LEBLANC-BIRD: Were parts something that in the past you
12 were able to get from the Commission on a credit card?

13 MR. ELLIS: I'm actually not sure of the answer to that, but
14 again we are not asking that we would be able to purchase
15 parts on a credit card.

16 The point that I was making by saying that was that if the
17 credit card transaction is no longer possible, if the
18 Commission has decided that it absolutely will not go back
19 to the credit card method of payment, then as a second
20 choice our members would like to see themselves able to
21 purchase the service and be -- simply order the service
22 and be invoiced for the service after the fact. And the
23 point that -- the conclusion that we draw from the
24 document that I have in front of me is that the Commission
25 is in fact able to do that for parts.

2 So we simply ask the question, if the Commission can
3 invoice a local contractor after the fact for \$135 worth
4 of parts, then why could they not invoice that same
5 contractor after the fact for a service of roughly that
6 same value.

7 MS. LEBLANC-BIRD: Thank you.

8 MR. TINGLEY: Mr. Ellis, was it?

9 MR. ELLIS: Yes.

10 MR. TINGLEY: Some of these contractors would be doing quite
11 a little bit of business with NB Power, correct, so they
12 would have to make several of these transactions in the
13 run of a week or a month or --

14 MR. ELLIS: It would vary, but yes, that could happen, yes.

15 MR. TINGLEY: So it could become quite cumbersome by times.

16 MR. ELLIS: Well I would simply ask the Board to consider
17 how cumbersome is that versus how cumbersome is it to have
18 to make that trip to the bank for every --

19 MR. TINGLEY: That's what I mean. It becomes quite
20 cumbersome if you have to do that several times a day or a
21 week or a couple of times a day.

22 MR. ELLIS: Absolutely, yes.

23 MR. TINGLEY: But I sort of understand why NB Power
24 eliminated their regular customers from credit cards,
25 because if there is two-and-a-half percent -- this is not

2 a customer, it's more of a business issue --

3 MR. ELLIS: Yes.

4 MR. TINGLEY: -- isn't it, than an ordinary customer of NB
5 Power.

6 MR. ELLIS: That's right. And I should make the point, Mr.
7 Chairman, and I believe -- I didn't record this in detail
8 in my notes but I believe I did state when I spoke both
9 with Mr. Marois and Mr. Bourque and addressed this issue,
10 I made the point and I will make it to you, that we are
11 not averse to an increase to the fee to cover that. The
12 fee itself is not the issue. The issue is the onerous --
13 the much larger and more onerous cost of the method of
14 payment that the contractors are obliged to follow right
15 now.

16 We do understand that that credit card transaction
17 represents that extra two or two-and-a-half or whatever
18 percent it may be to NB Power, and my contractors are
19 saying, you know, increase the fee. Decide whatever the
20 Commission needs to have, add whatever that fee is going
21 to be to the bank and charge us to cover both. That's
22 fine.

23 MR. TINGLEY: And being in the construction business in the
24 past I can see that being the delay, just the fact that
25 there is a delay in getting this transaction through --

2 MR. ELLIS: Yes.

3 MR. TINGLEY: -- could be very important to the contractor
4 as well --

5 MR. ELLIS: It could, yes.

6 MR. TINGLEY: -- in getting his work done -- just getting
7 his work done.

8 MR. ELLIS: Yes.

9 MR. BELL: Just on the suggestion of the top-up --

10 MR. ELLIS: Yes.

11 MR. BELL: -- were you thinking of one account for all of
12 your members, or were you thinking of each member having a
13 retainer with the power commission which they would draw
14 on as they would use the service?

15 MR. ELLIS: We are thinking of each member separately,
16 because I think that that would depend on -- I mean
17 obviously in order to do that, the contractor is going to
18 have to have some established relationship with the
19 Commission.

20 And I want to say I think that would be our third -- if I
21 were to rank it in order of priority, I guess I would say
22 of the three suggestions that we offered that would be our
23 least preferred, but even at that it would be better --
24 the reason we are suggesting is it would be better than
25 the system which is in place right at this moment.

1 - 141 - Mr. Arseneau -

2 MR. BELL: Understood. Thank you.

3 CHAIRMAN: Thank you, Mr. Ellis --

4 MR. ELLIS: Thank you for having me, Mr. Chairman.

5 CHAIRMAN: -- for coming out tonight in inclement weather.

6 Alex Arseneau from the New Brunswick Non-Profit Housing
7 Association.

8 MR. ARSENEAU: Good evening and thank you for this
9 opportunity. I believe it is deja vu for me. If I
10 remember I was in Saint John in the spring. At that time
11 I was appearing on my own volition. Today I am appearing
12 for the Non-profit Housing Association. I don't know
13 anymore today what I am going to tell you before I
14 actually do so so the notes that I passed in may or may
15 not be relevant.

16 But anyway, a couple of words about the Non-profit Housing
17 Association. We have -- we represent 210 non-profit
18 housing corporations spread out throughout New Brunswick,
19 who own and operate approximately 6,500 units of housing,
20 affordable housing for people who cannot afford the
21 regular market rent.

22 So it is quite a sizeable portfolio and it represents a
23 big portion of our population. And I will just add that
24 if we could double the 6,500 tomorrow, it would be filled
25 by tomorrow evening. That is how many people are in need

1 of affordable housing.

2 I'm not here to make any big statements because when you
3 represent the people with low income, there isn't really,
4 you know, much noise to be made.

5 I wish to commend NB Power, first of all, because I am
6 advised by the people in the Department of Family &
7 Community Services, who work with the same customers or
8 clients as we do, that NB Power has been actively and
9 successfully working on a system whereby during the winter
10 months, there would be no disconnect policy for people
11 deemed legitimately to be one of those customers, if I can
12 use that term.

13 One concern I have there is who is legitimately in need
14 today in my estimation can be very different from any one
15 of yours. So I have a little bit of problem there
16 although the idea and the practice is certainly to be
17 commended. But assuming that you are such a customer, it
18 is deemed that you did your best but cannot pay your bill
19 this winter so they will not let you sit in the cold. But
20 you heard the song, January, February, June or July, when
21 will you demand the payment and when will you in fact
22 disconnect the power to that same customer.

23 So it isn't -- it's a help but it can have a backlash. So
24 it is a concern for our clients. Electric power,
25

2 electric service these days has become a necessity of life and
3 be it in January or even July, it is pretty difficult to
4 even feed oneself today without power. So it is a
5 question that we should look at.

6 I hear today that you received presentations regarding a
7 fund or whatever, you know, that exists in other provinces
8 and I certainly want to commend that to say that is a good
9 idea. But again it would only be for a limited number of
10 customers. This is where I think NB Power could make
11 giant strides in absolutely being serious in offering and
12 explaining equalized billing.

13 Everyone I think can with proper assistance, advice,
14 decide that they can put so much money every month towards
15 a certain cost of life, if you can call it that. And this
16 I think would be a really good way to help the people with
17 low income and those with lower than low income, because
18 there are some of those. So equalized billing, I know
19 it's there. But I am not sure that it is actively
20 promoted with the low income customers.

21 We don't want to make NB Power into a social services
22 agency. We already have one of those. And this is not
23 the purpose for my visit here this evening. But I think
24 that NB Power could go a long ways in working with its
25 customers and, you know, at the same time being those

2 with low income.

3 I think in the area of energy use, every day efficient
4 energy use and energy conservation, NB Power could do a
5 lot also to help those customers.

6 We think we know how to use electric power efficiently.

7 But most of us don't. And even I who worked at NB Power
8 for 35 years and worked in the energy conservation
9 department, there are a lot of things I don't know or I
10 forget. And for customers with limited income, it would
11 mean a great deal if advice as on to how to operate the
12 day to day home or apartment that they live in, I think
13 you know it would be tremendous.

14 Very simple things, like how to operate thermostats, you
15 know every day. How to use -- effectively use domestic
16 hot water. You know, we think we can -- we think -- how
17 many homes have I gone into where someone said heh, we
18 will make a cup of tea and they turn the hot water tap on
19 and 30 feet away is a water heater and all that and then
20 they get the hot water and they have spend 10 times the
21 amount of energy than if they had gone and taken the water
22 out of the cold water tap and put it in the kettle. I
23 mean it's a small example, but when you do not know --
24 information is power. In this case that type of
25 information would mean less electrical power.

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2 A little bit on energy conservation. They do not own --
3 most of them don't own their homes or the apartment they
4 live in. But, you know, a little bit of plastic here and
5 there on the windows and caulking and so on, knowing how
6 to use it and how to install it would go a long ways.
7 So these are things that perhaps -- not perhaps -- would
8 cost NB Power some funds. I know I worked in the
9 department for 10 years. But I think the return would
10 have benefits to both NB Power and the customers. And
11 this is not related to NB Power, but I think that perhaps
12 this Board could convey the message to the Province that
13 the existing energy efficiency program that are
14 administered by Ms. Weir are under Efficiency N.B. should
15 continue. Because my understanding are that they are only
16 there -- the commitment was only made for one year. So we
17 strongly urge that they be continued.

18 And also the program that had been announced under the
19 previous government about removing the PST on heating
20 costs has been put on hold by this government. And we
21 are suggesting that the message be given to the
22 government that this should be enacted immediately. If
23 it's not possible to have it for everyone, then have it
24 for the low income people.

25 That's basically what I have to say. And I really

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2 thank you for the opportunity.

3 CHAIRMAN: Thank you, Mr. Arseneau. ..

4 MR. ARSENEAU: I said it all.

5 CHAIRMAN: Yes. You covered your whole topic.

6 MR. ARSENEAU: Thank you very much.

7 CHAIRMAN: You're welcome. Thank you. Jeanne Cruickshank
8 of the Canadian Council of Grocery Distributors, has she
9 come in the room? I guess another one for tomorrow night.
10 Was there anybody else in the room that would like to
11 make any comments as to customer service polices at NB
12 Power? Well, I guess we will have to put it I guess for
13 tomorrow night everybody else.
14 So everybody, that's it. It's quarter to 8:00. We take a
15 10 minute break and then see if anybody else shows up --
16 or well take a 10 minute break and see if anybody else
17 shows up and then we will call it a day. Thank you.

18 (Recess - 7:45 p.m. to 7:55 p.m.)

19 CHAIRMAN: Has anybody entered the room since we last were
20 here? I see Mr. Young down there shaking his head. That
21 Mr. Young, not this Mr. Young. Anyway, I thank everybody
22 for coming tonight and we will carry on with the hearing
23 at 9:30 tomorrow morning and we will have another session
24 tomorrow night at 7:00. So thank you very much. It is
25 such a miserable night out there. (Adjourned)