

November 10, 2014

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

RE: Development of an Ongoing, Ratepayer Funded, Electricity Bill Assistance Program, Board File No.: EB-2014-0227

Via email to: boardsec@ontarioenergyboard.ca

Dear Ms. Walli:

EnerCare Inc. ("ECI") is an Ontario-based publicly traded company on the Toronto Stock Exchange and has an investment grade credit rating. ECI owns EnerCare Connections Inc. ("EnerCare"), the largest non-utility sub-metering company in Canada, with metering contracts for condominium and apartment suites in respect of electricity, water and thermal in Ontario, Alberta and elsewhere in Canada. EnerCare has approximately 178,000 contracted units primarily located in Ontario, of which approximately 90,000 are currently billing. ECI is also one of Canada's largest home and commercial services company, with more than 900 employees engaged in the business of water heater, furnace, air conditioning and other HVAC rental products, protection plans and related services with approximately 1.1 million customers.

EnerCare supports the development of an electricity rate-affordability program for low-income electricity consumers in Ontario and recognizes the importance of benefit programs designed to assist consumers with managing their electricity costs.

When the Ontario Energy Board (the "Board") introduced the Unit Sub-Metering Code, which set out the minimum conditions and standards for licensed unit sub-meter providers, the Board's intention was that it should mirror applicable requirements set out in other codes for licensed distributors. Similarly, when amendments to various codes were made to introduce consumer protection for low-income consumers relating to billing, electricity disconnections and security deposits, the Board amended the Unit Sub-Metering Code to ensure that customers of unit sub-meter providers received the same rights as those served

by distributors. Financial assistance under the Board's Low-income Energy Assistance Program ("LEAP") is also available to sub-metering customers for their electricity bills. EnerCare believes that the design of a ratepayer-funded ongoing assistance program ("OESP") should similarly ensure that customers of unit sub-meter providers receive the same rights and assistance of those served by distributors and requests that the Board consider sub-meter providers and their customers when designing the OESP, as discussed in greater detail below.

The Board has requested stakeholder input and advice on the following questions regarding the design of a ratepayer-funded ongoing assistance program ("OESP").

- 1. Should the OESP be designed to provide support to the greater number of low-income customers or to provide targeted support to those low-income customers with the greatest need.**

EnerCare believes that regardless of how the support is targeted, the program must be designed in a way that ensures the costs of implementing and administrating the program do not outweigh the benefit to low-income consumers. EnerCare supports a program which offers the appropriate balance between targeted support and program cost; this will ensure that funding is directed at assisting low-income consumers, rather than paying for administration costs. Reducing complexity and leveraging existing platforms would best serve the objectives of the OESP. EnerCare strongly supports leveraging the existing Ontario Clean Energy Benefit ("OCEB"), which design has been incorporated in the billing systems used by distributors and sub-meter providers alike. By leveraging the existing OCEB platform, the costs and time to implement the OESP would be significantly reduced, especially in light of the Minister's expectation that the program be in place on January 1, 2016. It is EnerCare's experience that significant changes to a utility-grade billing system can take several months or longer to develop, implement and test. Complexity and tight timelines can add exponentially to the costs. Most significant changes to billing systems are planned well in advance, which means that resources for changes in 2015 will have already been allocated. Limiting the number of changes required to existing billing systems will help to ensure an economical and successful launch of the OESP in 2016.

As the details regarding implementation of the OESP are still being developed, EnerCare would like to take this opportunity to remind the Board that sub-meter providers do not have the same ability as distributors to raise their rates to compensate for upfront or ongoing costs of administering the OESP. Generally, sub-meter providers pass through the delivery and transmission charges of the local distribution company using posted rates or the distributor's bulk bill for the sub-metered building. Further, the ability of sub-meter providers to raise rates may be further limited by master agreements entered into with building owners,

developers or condominium corporations. The respective customer bases of sub-meter providers are also generally smaller than those of most distributors. Even though sub-meter providers may incur the same significant costs in modifying their billing systems to administer the OESP, they will have a smaller customer base from which to recover, if they can at all under the terms of the master agreements, any program costs that are not reimbursed directly by the OESP.

EnerCare also strongly supports the continued role of social service agencies in the delivery and intake responsibilities for low-income consumer assistance programs, as these agencies have the necessary expertise and experience.

2. How could the OESP best meet its intended objective?

EnerCare supports option (a) - a percentage-based credit (i.e. 10% or such other percentage that is warranted by the amount of funding and number of eligible low-income consumers). EnerCare believes that this option would ensure that the benefit is proportional to consumers' electricity costs while also limiting the time and costs required to implement the program. EnerCare believes this option would also be in line with the Minister's expectations for the OESP, as it would provide a similar level of relief as the OCEB and could continue to be delivered as a credit on qualifying customers' bills.

3. How should the OESP be funded: through a provincial charge that is uniform for all ratepayers, collected centrally and then paid out to distributors based on their OESP requirements; or should each distributor collect the revenue required to fund the OESP needed for its service area through its distribution rate.

EnerCare strongly supports funding the OESP through a provincial charge that is uniform for all ratepayers, collected centrally and paid out to distributors and sub-meter providers based on the OESP requirements of their respective customers. EnerCare believes that a volumetric-based charge would best meet these requirements and would mimic the framework already used to recover other types of investment costs. EnerCare would caution against the implementation of a per-meter charge as it would be a departure from the current mechanisms used to fund low-income consumers programs. In addition, a per meter charge would result in unequal treatment of ratepayers who live in multi-residential buildings, as the per meter charge would only apply to ratepayers who live in buildings that are currently suite-metered (since only those buildings will have meters installed in each unit).

EnerCare believes a system where each distributor collected revenue to fund the benefit needed for its service area would create inequality between the distributors, as it would not take into account the size or economic realities of its consumer base. Furthermore, it is unclear whether under this option the sub-

meter providers would also be expected to fund their own programs or whether distributors would take on this responsibility on behalf of sub-metering customers living in the distributor's jurisdiction. Given the small number of consumers serviced by sub-meter providers relative to most distributors and the fact that many of these consumers are renters in multi-residential buildings the inequalities noted above would be exacerbated.

Thank you for the opportunity to provide these recommendations with respect to OESP. If the Board has any additional questions, we would welcome the opportunity to meet or provide additional written submissions to elaborate on the content provided herein.

Sincerely,



John Toffoletto
Senior Vice President, General Counsel and Corporate Secretary
EnerCare Connections Inc.