



October 21, 2015

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
PO Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Via Web Portal and by post

Dear Ms. Walli,

Re: Board File no. EB-2015-0268

Proposed Amendments to the Electricity Retailer Code of Conduct, the Code of Conduct for Gas Marketers, the Retail Settlement Code and the Gas Distribution Access Rule

The Electricity Distributors Association (EDA) is the voice of Ontario's local electricity distribution sector, which consists of municipally and privately owned local distribution companies (LDCs). The distribution sector delivers electricity to 5 million residential, commercial, industrial and institutional customers throughout the province. The sector employs 10,000 people directly and holds \$19 billion in assets; it has \$1.9 billion in annual capital spending and \$1.6 billion in annual operational spending; and makes hundreds of millions in direct contributions to both municipal and provincial revenues.

The EDA welcomes the opportunity to provide comments on the proposed amendments to several codes to implement certain recommendations set out in the OEB's report on the review of the Energy Consumer Protection Act (ECPA). As the OEB is aware, the EDA has been a strong advocate for banning energy retailer activities for residential customers and has been supportive of the amendments to the ECPA that have been proposed under Bill 112. Specifically, the proposed ban of door-to-door electricity retailer sales is a welcomed and positive action for Ontario's residential electricity customers.

Please see the EDA's detailed comments below on the various code amendments proposed by the OEB.

Appendix A: Electricity Retailer Code of Conduct

No comments

Appendix B: Code of Conduct for Gas Marketers

No comments

Attachment C: Retail Settlement Code

Comments on Section 7.2.3

Some LDCs have advised that they may incur billing and IT costs to provide additional space to include the retailer information that will be required to be placed on customers' bill. Furthermore, due to the increased space now required, some LDCs may have to produce 2-page bills, which will also result in additional costs.

The OEB has proposed that these amendments come into force on the later of January 1 2016 or the date on which the proposed legislative amendments, if passed and amendments to the ECPA regulation, if made, come into force. This may give LDCs less than three months to implement these changes once they are finalized by the OEB. Given the fact that LDCs are currently working internally and externally with their CIS vendors to implement changes to the bill related to the Ontario Electricity Support Program (OESP), the Debt Retirement Charge (DRC), monthly billing (for some LDCs) and the Ontario Clean Energy Benefit (OCEB) for January 1, 2016, the EDA recommends that the OEB provide LDCs with at least 6 months to implement these changes from the time they are finalized by the OEB. This will allow LDCs sufficient time to implement the required changes, and receive the information from the retailer in regard to name, telephone number, website and email. More time in implementing these changes will also be less confusing to consumers, who will be seeing a multitude of changes on the electricity bill January 2016.

Comments on Section 10.5.4A

Currently, once a customer signs up with a retailer, they have a 10-day cooling-off period (Bill 112 is proposing that the cooling-off period increase to 20 days) after which the retailer contacts the customer to confirm that they are willing to move forward with the contract. The LDC receives the STR for a change in supply after the retailer has already received that confirmation from the customer. Therefore, a notification of transfer from the LDC informing the customer that they are moving from the standard supply to a retailer contract will lead to further confusion for the customer as they have already agreed to move forward with the retailer contract. The retailer contract is between the customer and the retailer, and LDCs should not be responsible for notifying the customer of a change that they have already agreed to and confirmed with the retailer. Therefore the EDA is not supportive of the OEB requiring LDCs to provide a notification of transfer to low-volume customers.

However, if the OEB does require LDCs to provide this notification of transfer, then the EDA recommends that part (d) of the required information should be amended so that the customer receives information on how to contact the retailer and not the LDC if they have questions about the transfer. The LDC is providing this notification to customers for informational purposes after they receive the STR for a change in supply. The LDC has no information regarding the contract details, would only refer the customer to the retailer in any case and therefore should not be responsible for answering any questions the customer may have about the transfer. The EDA also recommends that, if required, the notification should include information on how the customer can contact the OEB if they want more information about energy retailers in the province or they are having issues with the retailer contract. In

addition, a new STR should be created to allow LDCs to charge a nominal fee to the retailer for each notification sent to its customers. The OEB's EBT Working Group would require time to work on this new STR.

The EDA would like to highlight that issuing such a notification will require programming changes in LDC billing systems, which may incur additional costs. Also, the EDA seeks clarification if such a notification is required if a customer moves from one retailer to another as the LDC also receives an STR for that transfer of supply.

Appendix D: Gas Distribution Access Rule

No comments.

Comments on providing comparative information on bills

It is the EDA's understanding that the OEB is looking for input on how to include comparative information on electricity bills of customers who are under contract with retailers, without increasing customer confusion. While the EDA appreciates the OEB's objective to educate consumers about energy retailers through more customer-friendly and simpler materials, producing a commodity cost comparison on electricity bills will be a highly onerous process for LDCs and lead to further customer confusion for the following reasons:

- Including a commodity cost comparison table on each bill will require LDCs to undertake further significant billing and IT system changes.
- Including additional information on the bill will require LDCs to produce multiple page bills, which will incur additional printing and mailing costs for LDCs.
- Currently retailers only provide LDCs with the total amount of the electricity charge to place on the customers' bills, and do not provide information on the retail contract prices.
- Customers under retail contracts pay the Global Adjustment separately while that charge is included as an estimate (not actual) in the TOU rates for RPP customers, therefore the retail contract commodity cost is not comparable to the TOU commodity cost.
- LDCs would be required to re-calculate the cost of the commodity at the Time-Of-Use (TOU) rates and TOU buckets in order to provide a commodity cost comparison, again requiring IT programming changes. LDCs may not even have the retailer contract customer's consumption separated by TOU buckets in order to re-calculate the commodity cost.
- The OEB is aware that charges returned by the retailer to the LDC for customer billing purposes may not be reflective of the actual electricity consumed but may reflect a program the retailer is offering the customer. In these cases, the LDC will not be able to accurately calculate a comparison.
- Please note that the EBT's "enroll accept and usage" transactions do not indicate if a customer is a low-volume customer.
- The OEB also needs to clarify if they want to provide customers with a comparison of the whole bill or a comparison of only the "Electricity Charges" section of the bill.

As is readily apparent from these many limitations, LDCs would not be able to provide useful comparisons for customers.

The OEB currently has an online bill calculator which retailer contract customers can readily use to compare their current electricity bills with what they would have paid if they were not under a retailer contract. The EDA recommends that LDCs encourage customers to visit the OEB website to calculate and review the price comparisons themselves. The OEB bill calculation website also provides any explanation of the bill components thereby educating customers more broadly in the same visit.

Given the extensive issues that will need to be addressed before comparative information can be included in customers' bills, it is the EDA's recommendation that the OEB undertake a separate consultation to understand and address all of the above concerns and more before establishing any price comparison information on electricity bills.

Sincerely,

A handwritten signature in cursive script, appearing to read "Teresa Sarkesian".

Teresa Sarkesian
Vice President, Policy and Government Affairs

:akh