

October 5, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 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 – Union Gas comments regarding the Ontario Energy Board’s (the “Board”) Notice of Revised Proposal to Amend the Code and to Amend a Rule**

Union has reviewed the Board’s Notice of September 8, 2016 and provides the following comments regarding the proposed revised changes to the GDAR rules.

**Item 1) REVISED Proposed Amendments to the Retailer Code and the Marketer Code regarding Plain Language Contracts**

Union has no comment.

**Item 2 ) REVISED Proposed Amendments to the RSC and GDAR Mandating a Written notice of Switch**

*The Board’s Notice has proposed revised additional wording in GDAR section 4.3.10 as included in Attachment F to the Board’s Notice, and provided a Proposed Notice of Switch Letter in Attachment D.*

*The Board’s proposed revisions (additions) to the wording in section 4.3.10 (Attachment F) are:*

*4.3.10 Where a gas distributor processes an STR for a change in supply in respect of a low volume consumer under section 4.3.5 or 4.3.6, the gas distributor shall notify the low volume consumer of the transfer in writing using the form of notice approved by the Board. The notice shall be sent within 5 business days of the date on which processing of the STR has been completed or such later date as may be required to ensure that the notice is not sent to the low volume consumer until the next bill to be issued to the low volume consumer reflects the change in supply. The notice must be sent to the low volume consumer separate from any other communication from the gas distributor, including the bill. Subject to any arrangements to the contrary that a gas distributor may have with a low volume consumer in relation to communications, the notice may be sent to the low volume consumer by courier, mail, facsimile or e-mail.*

**Union comment:**

Union reviewed the revised amendment to the GDAR (Attachment F) and the associated template for providing written notice of a change in supplier to customers (Attachment D). Union also reviewed the proposed timing for implementation. Union's comments are provided below.

**(i) Attachment F:**

The revised amendment to the GDAR includes additional wording that requires the letter to be issued "...within 5 business days of the date on which the process of the STR has been completed or *such later date as may be required to ensure that the notice is not sent to the low volume consumer until the next bill to be issued to the low volume consumer reflects the change in supply.*" Union is concerned about this change from two perspectives:

- Later notice leaves the customer less time to follow up:

The low volume consumer is likely to receive the communication well after the STR has been processed, with limited time to follow up with the new supplier with any concerns before they receive a bill reflecting the new supplier's charges. Reverting to the originally proposed timing for issuing the letter meets the objective of ensuring that the consumer receives notice that they have a new supplier, plus this earlier notice provides the consumer more time to follow up, if necessary.

- The systems changes for this revision are more complex to implement:

The system changes required to issue notice either 5 days after completing the STR **OR** to hold back the notice until after the last bill with the charges of the current supplier and before the first bill with the new supplier, is more complex than as originally proposed.

Please see Attachment F included in this submission for Union's proposed wording.

**(ii) Attachment D:**

Union has also reviewed the proposed Notice of Switch Letter template included at Attachment D and has proposed wording to allow for a single form of letter for each distributor. In Union's North East and North West billing zones, retail energy marketers' contracts only cover the cost of the natural gas used by the customer. In Union's South billing zone, retail energy marketers' contracts also cover the cost of transportation and could cover the cost of storage. Rather than building logic into its systems to select between the two proposed paragraphs for each customer, Union has proposed a revision to one of the proposed paragraphs. An additional phrase has been added to allow the consumer to self-identify whether the contract covers the cost of transportation and storage based on their location.

Union has also proposed that the letter have the option to be “signed by” its Customer Contact Centre with the associated contact information. Union has a Customer Contact Centre with a toll free number for its customers to call or email should they have a concern with their bill or service.

Please see the attached mark-up of the Attachment D Notice of Switch Letter. It reflects the changes noted above as well as other minor wording changes.

**(iii) Implementation Date:**

Union is concerned about its ability to implement the Notice of Switch Letter effective January 1, 2017 and requests the implementation date be revised to July 1, 2017 to align with the timing for the Board’s changes to make retail contracts more visible on the bill. The rationale for this suggestion is as follows:

- The changes reflected in the revised amendment have increased the scope and complexity of the necessary changes to Union’s systems.
- Union is in the process of updating the application used for issuing communication to its small volume customers. That new application will be implemented in April 2017. Implementing the Notice of Switch letter after this date will allow Union to update the design of its new application only, and not modify the current system. Modifying the current system would create redundant effort.
- In addition, the implementation date of January 1, 2017 for the Notice of Switch Letter is the same date as the implementation of Cap and Trade by all utilities and, for Union, the same date as significant changes to its billing zones as previously approved the Board. This proposed change touches on the same systems and will rely on the same resources, which presents additional challenges to the existing projects.

Aligning the implementation the Notice of Switch Letter to July 1, 2017 allows Union to stage its systems changes and lower the risk to two other significant projects impacting these systems.

In its prior submissions, Union noted that that it would be appropriate to develop an implementation timeline once the requirements have been finalized. Given the proposed revisions, Union requests that the implementation date for starting to issue this letter be aligned with the implementation of the bill changes.

**Item 3) Revised Proposed Amendments to the RSC and GDAR to make Retail Contracts More Visible on the Bill**

*As per the Board’s Notice: The OEB is proposing to proceed with the proposal to require a mandatory statement on the consumer’s bill that their energy supply is being provided under contract. To address some of the comments received in response to the October 5th Notice and during follow-up meetings with representatives of gas and electricity distributors, the OEB will not mandate the number of text characters to be made available. In addition, the OEB will only mandate that an energy retailer’s telephone number and website address be included on the bill. The display of the energy retailer’s e-mail*

*address will be optional. The OEB does not believe that it is necessary to make provision for an energy retailer's logo on the bill. Space and cost considerations aside, the OEB is concerned that the addition of an energy retailer's logo on the bill will tend towards confusion in terms of who is sending the consumer their bill.*

*The OEB remains of the view that the commodity line of the bill is the appropriate location for the mandatory statement. The OEB is prepared, however, to consider providing some flexibility for bill presentation in the case of gas bills given that natural gas contracts can also include transportation, storage or both.*

*Revised proposed amendments to the RSC and the GDAR reflecting the above are set out in Attachments E and F, respectively. Given the comments received from electricity and natural gas distributors regarding implementation timelines, the OEB is proposing that these provisions apply as of July 1, 2017. The provisions have been drafted accordingly.*

#### **Union Comment:**

Union has reviewed the revised proposed amendments to the GDAR as included in Attachment F and provides the following comments regarding the wording in section 6.1.4.

The wording provided in section 6.1.4 is not aligned with the Board's Notice stating that inclusion of the gas vendor's email address is optional. The initial wording indicates the gas distributor shall include the gas vendor's email address, while a later sentence states the gas distributor may include. Union has provided a proposed minor revision below, as well as in the Attachment F included in this submission, to reflect the Board's intention that this is optional.

*6.1.4 Beginning on July 1, 2017, in the case of gas distributor-consolidated billing, and despite any Service Agreement, a gas distributor shall, in respect of a low volume consumer that is served by a gas vendor, include, on the part of each bill submitted to the low volume consumer that relates to the commodity price, the phrase "YOU ARE BUYING YOUR GAS FROM", followed by the gas vendor's name in capital letters and the gas vendor's toll-free telephone number and website address ~~and e-mail address~~ as provided by the gas vendor. A gas distributor may also include the gas vendor's e-mail address as provided by the retailer.*

#### **Item 4) Revised Proposed Verification Call Scripts**

Union has no comment.

#### **Item 5) Energy Retailer Scorecards**

Union has no comment.

Estimated costs for the various changes have been identified by Union in prior submissions. The Board notes that the method to recover costs will be reviewed. Union notes that once the required changes are finalized, Union will review costs and will seek recovery of those costs through vendor fees, existing GDAR deferral account or other.

If you have any questions, please contact me at (519) 436-5473.

Yours truly,

*[Original signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

c.c.: M. Kitchen, Union

## Attachment D – Union Comments

### 1. For Natural Gas Contracts

Dear [Consumer]:

#### **RE: YOU ARE NOW BUYING YOUR NATURAL GAS FROM [GAS MARKETER NAME]**

[Gas Marketer Name] informed us that you have a new contract to buy your natural gas from them. We have made changes to your account to show that your gas will now be supplied by [Gas Marketer Name].

We will ~~still be sending~~ continue to send you your gas bill every month. ~~But~~ However, the bill will show the price from your contract with [Gas Marketer Name] instead of the price you are paying today.

*[Insert the applicable version of the next paragraph. ~~If depending on whether~~ transportation and/or storage could ~~can~~ be included in the contract price in the gas distributor's franchise area (as is the case for Union Gas), insert the second paragraph]*

The price in the contract covers only the cost of the natural gas that you use. It does not cover all of the charges on your bill. You should start to see the new contract price on your next gas bill. [Gas Marketer Name]'s name will also start to appear on your bill.

The contract price does not cover all of the charges on your bill. It covers the cost of the natural gas that you use and if you are ~~. It also covers the cost of gas transportation, gas storage or both.~~ a customer located in Southern Ontario, the contract also covers the cost of gas transportation and, depending on your contract, storage. You should start to see the new contract price(s) for the contracted services on your next gas bill issued in [insert month]. [Gas Marketer Name]'s name will also start to appear on your bill.

If you have any questions about this change to your account, please contact [Gas Marketer Name] at *[insert telephone number]* (toll-free). *[Reference to the Gas Marketer's website address and/or other contact information may be added here]*

For general questions about natural gas contracts, you can visit the Ontario Energy Board's website [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca) or contact the OEB's Consumer Relations Centre at [consumerrelations@ontarioenergyboard.ca](mailto:consumerrelations@ontarioenergyboard.ca) or 1-877-632-2727 (toll free). The Ontario Energy Board is the independent government agency that oversees Ontario's electricity and natural gas sectors.

Yours truly,

*[Insert name, title and contact information for gas distributor representative or Customer Contact Centre with the associated contact information , and gas distributor's website address if desired.]*

**Attachment F – Union Comments**  
**Revised Proposed Amendments to the Gas Distribution Access Rule**  
**(Comparison version highlighting changes relative to the October 5<sup>th</sup> Proposed**  
**Amendments)**

1. Section 1.2.1 of the Gas Distribution Access Rule is amended by adding the following new definition after the definition of “gas vendor consolidated billing”:

*“low volume consumer” means a consumer who annually uses less than 50,000 cubic meters of gas or such other amount as may be prescribed for the purposes of section 2 of the Energy Consumer Protection Act, 2010;*

2. Section 4.3 of the Gas Distribution Access Rule is amended by adding the following new sections 4.3.10 to 4.3.12:

*4.3.10 Where a gas distributor processes an STR for a change in supply in respect of a low volume consumer under section 4.3.5 or 4.3.6, the gas distributor shall notify the low volume consumer of the transfer in writing using the form of notice approved by the Board. The notice shall be sent within 5 business days of the date on which processing of the STR has been completed. ~~or such later date as may be required to ensure that the notice is not sent to the low volume consumer until the next bill to be issued to the low volume consumer reflects the change in supply.~~ The notice must be sent to the low volume consumer separate from any other communication from the gas distributor, including the bill.; Subject to any arrangements to the contrary that a gas distributor may have with a low volume consumer in relation to communications, the notice may be sent to the low volume consumer by courier, mail, facsimile or e-mail*

3. Section 6 of the Gas Distribution Access Rule is amended by adding the following new sections 6.1.4 and 6.1.5:

*6.1.4 Beginning on July 1, 2017, in the case of gas distributor-consolidated billing, and despite any Service Agreement, a gas distributor shall, in respect of a low volume consumer that is served by a gas vendor, (include, on the part of each bill submitted to the low volume consumer that relates to the commodity price, the phrase “YOU ARE BUYING YOUR GAS FROM”, followed by the gas vendor’s name in capital letters and the gas vendor’s toll-free telephone number and website address ~~and e-mail address~~ as provided by the gas vendor. A gas distributor may also include the gas vendor’s e-mail address as provided by the retailer.*

*6.1.5 Despite any Service Agreement, a gas vendor shall provide each applicable gas distributor with the gas vendor’s name, toll-free telephone number, website address and e-mail address for the purposes of 6.1.4.*