

Ontario Energy Board
Attn: Ms. K. Walli
Board Secretary
2300 Yonge Street, Floor 27
Toronto ON M4P 1E4

October 5, 2018

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ONTARIO ENERGY BOARD

Dear Ms. Walli

EB-2017-0183

Re: **Customer Service Rules Review**

The Electricity Distributors Association (EDA) represents Ontario's electricity distributors who are the face of the industry to Ontario's electricity consumers. Distributors serve customers safely and reliably and provide service objectively and without preference. Local Distribution Companies (LDCs) are first and foremost engaged in the provision of electricity distribution services, a public good, on a commercial basis. LDCs note that the Ontario Energy Board's (OEB, Board) proposed changes to Customer Service Rules are expected to impact payments, collections, and the risks of partial and-or late payment that may culminate in disconnection. As was stated in the EDA's previous submission on June 27, 2017, LDCs disconnect customers only as a last resort, and take many steps to help the customer manage and pay for continuous service.

LDCs are challenging themselves to better understand the end result that could be achieved, assuming that the Board's proposals are implemented, so that they can assess whether the consumer's needs are being met and consumers have been appropriately protected. In simple terms, the OEB's proposed changes focus on how the LDC manages the provision of service on a credit basis. The EDA's comments will address how the Board's proposals may impact customers who do not pay, either in full or on time, for the service provided and may impact the recovery of costs incurred to help certain customers manage their payments. The EDA notes that other utilities, such as those in the telecommunications sector, require customers to pre-pay for services.

Implementing the OEB's proposed changes will require enabling Code amendments (e.g., Distribution System Code) and consequential changes to rates. The timing of these changes will need to be coordinated to minimize inconsistencies, to minimize conflicts that could result in customer confusion and to ensure that similarly situated customers are treated consistently. Based on experience, LDCs have learned that approximately 6 months is required to implement and test changes; out of a concern that some of the proposals made by the Board are novel or will be complex, a longer period may be appropriate.

Changes to rates are anticipated, for example to mitigate the consequences of the proposed retirement of certain Board authorized Specific Service Charges (SSC). Many LDCs recover a material amount of revenue through SSCs and expect that the Board will, concurrent with the contemplated retirement of certain SSCs, authorize LDCs to either record the forgone revenues in a Deferral/Variance Account or to charge a Rate Rider that recovers an amount of revenue equivalent to that assumed by the Board when distribution rates were most recently rebased. The EDA notes that the combination of forgone revenues and increased costs could give rise to undue cross subsidization between customers, rates that are not

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Electricity Distributors Association

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compensatory or both. The EDA expects that the Board will monitor for these outcomes. Rate changes should be co-ordinated with both the Coming Into Force date(s) and with other anticipated rate changes so that the number of rate changes experienced by the customer can be minimized.

The EDA reviewed the OEB's questionnaire and consumers responses. We note that over half of those surveyed agree that non-paying customers should be eligible for disconnection and that over 70% agree that non-paying customers should have their loads limited during the winter period. Our LDC members look forward to learning of the OEB's perspective on these survey findings.

The EDA provides its detailed comments on the proposed changes in the enclosed Attachment.

The EDA thanks the OEB for convening this process and for summarizing its proposals in the Report of the Board. The EDA looks forward to participating in the implementation of the changes that the OEB adopts through Code amendments and other changes, as well as to the remaining phases of this initiative.

Please direct any questions to Kathi Farmer, the EDA's Senior Regulatory Affairs Advisor at kfarmer@eda-on.ca or at 905.265.5333.

Sincerely

A handwritten signature in black ink, appearing to read 'J. Rangooni', with a long horizontal flourish extending to the right.

Justin Rangooni
Vice President Policy and Government Affairs

Encl.