

Jose Latour

Toronto, May 8, 2009

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
ATT: Board Secretary

EB-2009-0111

OEB BOARD SECRETARY	
File No:	Sub File: 8
Panel	PS
Licensing	BR
Other	IR
00/04	

Sir:

I refer to the Notice of Written Hearing and Procedural Order No. 1.

As a consumer who receives electricity distribution services from the agent of an Exempt Distributor, I file this written submission with the Board.

In February 2008 a licensed smart sub-metering provider (Stratacon) conducted a seminar at the apartment building where I live to explain the service and how our rent reduction would be calculated should tenants sign for this service.

In the lease contract that I signed, rent includes utilities. When the seminar was announced, residents were told that, should we sign for the service, our rent would be reduced certain amount —\$54.00 in my case.

Days before the seminar I accessed the webpage of the Toronto Hydro Electric System and downloaded tables that show the approximate wattage, and the average monthly hours of use, kWh, and monthly cost of electricity appliances. Based on that and units of measurements such as BTUs, HPs, Watts, etc. of our appliances (including the stove and refrigerator property of the Exempt Distributor) I proceed to estimate our monthly consumption during summer and winter.

According to the Toronto Hydro tables, the old stove the apartment has consumes on average 500 KW monthly and the fridge 75. Adding to that our appliances (TV set, toaster, coffee maker, microwave, computers, an air conditioner and two fans in the summer, plus the lights) I arrived at an estimated monthly consumption of 1,335 KW during summer and 1,225 in winter.

At the seminar Stratacon presented a sample bill in which an apartment would consume 203 KW in a month. Adding to the \$0.05 per KW the regulated charges set by the Ontario Energy Board, the distribution usage rate that covers Stratacon's costs (0.014 per KW) and Stratacon's administration fee of \$13.75, the total monthly charges would be \$34.90. If I got a \$54.00 rent reduction, I would be saving \$19.10.

When I explained to the Stratacon representatives that according to the Toronto Hydro table just the oven would consume 500 KW a month, their response was that my estimate was too high. Then I asked them whether they believed that Toronto Hydro's tables were wrong. The response was that they didn't think so, but my estimate was wide off the

mark. To prove it, they promised to send me the reading of my apartment's meter for three months, so I could see what my real consumption was.

Fifteen months later I am still waiting for that promise to be fulfilled.

Considering possible that my estimate was too high, I shaved 50% to summer and winter KW consumption. In that new scenario I would use up 668 KW and 613 KW. Rounding to a monthly average of 641 KW, my bill would be:

Energy charge	641 x \$0.05	= \$32.05
Regulated charge	641 x \$0.032	= 20.51
Distribution Usage Rate	641 x \$0.014	= 8.97
Administration Fee		13.75
Subtotal		\$75.28
GST 5%		3.76
Total		\$79.04

In which case, I would disburse:  $\$79.04 - \$54.00 = \$25.04$  more every month, or \$300.00 a year.

When at the seminar other tenants asked Stratacon if tenants who signed for the service could cancel it and return to paying the rent they paid before, the answer was negative. Whoever signed for the service couldn't cancel it later.

It should be said that the Exempt Distributor has not increased my rent or demanded changes in the contract to include electricity, so no harm has been done.

We, and probably many other tenants in this building, support reducing energy consumption. My family practices this on a daily basis. But those reductions should be in line with rent reductions. When that is not the case, the expenses of tenants increase while the Exempt Distributor reduces its own and increases its profit margin. For sub-metering providers this is not at all a matter of reducing energy consumption but a profitable business; regardless of who pays, they are increasing the volume of their businesses.

Sincerely,

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