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Energy Services Corp.

June 12, 2014

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

Re: Rate Design for Electricity Distributors
Board File No: EB-2012-0410

Dear Ms. Walli,

On April 3, 2014, The Ontario Energy Board ("The Board" or "OEB") issued a letter to stakeholder, seeking comments on its Draft Report on Rate Design for Electricity Distributors (the "Draft Report"). This was the next step in The Board's process looking at revenue decoupling for distributors. In it The Board states its intent to pursue a fixed rate design solution to achieve revenue decoupling.

The Board is seeking comments on it three proposals, in the Draft Report. These proposals are meant to achieve revenue decoupling through either:

1. A single monthly fixed distribution charge for the residential and less than 50kW rate classes; or
2. A fixed monthly charge based on service size for the customer within the class; or
3. A fixed monthly charge based on a particular customer's peak usage.

The Board's key objectives with these proposals are:

- Providing stability and predictability to consumers on their bills;
- Enhancing consumer literacy of energy rates;
- Providing consumers with tools for managing their costs;
- Focusing distributors on optimal use of assets and improving productivity;
- Removing or reducing regulatory costs; and
- Supporting the achievement of public policy objectives.
    - Specifically around the government's Long Term Energy Plan ("LTEP")

EnLITEn Energy Services Corporation ("EnLITEn") provides Suite Metering Services to numerous utilities, focused mainly on the multi-unit residential and commercial sectors. These services include educating the end use customers on the benefits of individual metering in their multi-unit building. This includes providing information to customers about their electricity bill and what they can do to conserve their usage. Which is all in support of the government's LTEP.

Multi-Unit Residential Customer Profile

Unlike the average residential customer, a typical multi-unit residence uses 400 kWh/month on average (which is half the standard average of 800 kWh), with many small units, typical for newer condominiums with 300 to 400 ft^2 units, using less than 200 kWh. In addition, this usage represents 40% to 45% of the multi-unit residential bill rather than the 20% to 25% for an average residential customer. As such, the distribution portion of the bill reflects a significant portion of any conservation measures these customers undertake.

In addition, the cost to the utilities for serving and maintaining a multi-unit residential customer is a lot less. As the electricity infrastructure to individual units is the responsibility of the building owner or Condominium Corporation, it is not a cost borne by the utility. The utility only maintains the distribution system up to the building as a whole. Also, the individual customers make no determination on the size of their individual service, as that is done at the time the building is designed and constructed.

EnLITEn's Recommendation

Based on the above profile of the multi-unit residential customer, EnLITEn would be in support of Option 1 **only** if the multi-unit residential customers were broken out into separate sub-classes within the residential class. This as a minimum should be one sub-class for multi-residential customers; however, multiple sub-classes may be considered, based upon unit size, if a greater degree of equity among customers is to be achieved. This fairness with have multiple sub-classes would also be a better correlation between a customer's ability to pay and the rate they would be paying. That being, customers with larger units typically have a greater ability to afford a higher energy bill.

As stated above since the multi-unit customer has no control over their service size, Option 2 is not a practical option for these customers. In addition, since the utility did not install these services it would be an extremely significant expense to the distributors to gather this information for each customer.

EnLITEn also sees Option 3 as an unviable option given that it will be overly complex to administer, thus adding cost to distributors that will need to be passed onto customers. Also, under this option it would be very challenging to communicate to customers what is required to take advantage of conservation opportunities. It also would negatively impact those consumers (e.g. disabled or seniors) who have little ability to impact their usage based on their daily needs.

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As EnLITEn is very heavily involved with multi-unit sector, Smart Unit or Suite Metering and in particular education of multi-unit customers, EnLITEn welcomes any further opportunity to be of assistance to The Board on this revenue decoupling for distributors initiative.

Respectfully submitted;

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