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**Commission de l'énergie
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BY E-MAIL AND WEB POSTING

March 31, 2016

**TO: All Licensed Electricity Distributors
All Other Interested Parties**

**RE: Rate Design for Commercial and Industrial Customers
(Board File No. EB-2015-0043)**

Today we are releasing for comment a Staff Discussion Paper entitled *Rate Design for Commercial and Industrial Customers: Aligning the Interests of Customers and Distributors*.

Background

The pace of change enabled by significant technological advancements is affecting how energy is produced, transported and consumed. These advancements will enable greater consumer autonomy. Very real changes will emerge in energy consumer expectations and the way in which they engage with the energy market and service providers. Consumers will be much more actively involved in energy choices than they are today. The way customers are charged for their use of the distribution system is an important opportunity to enable those choices.

In April 2015, the OEB announced a new distribution rate design for residential electricity customers. On May 28, 2015, it described a process to begin identifying a new distribution rate design for commercial and industrial electricity customers.

Staff Discussion Paper

Our discussion paper sets out a series of options for the design of electricity distribution rates for commercial and industrial customers. These options have been analyzed based on actual hourly data from customers of select distributors.

This has enabled us to model the impacts of different rate designs. These examples are illustrations and intended to assist you when comparing options to each other.

Invitation to Comment

OEB staff intends further to analyze a smaller set of rate design options as part of developing a Board policy.

We invite interested stakeholders to assist us by providing comments on this staff discussion paper. In particular, we are asking stakeholders to:

- Comment on the issues and directions outlined in the paper including the appropriate level for fixed charges in each rate class.
- Rank the main options as OEB staff has described them in order of the stakeholder's preference.
If there are two examples within an option, indicate which is preferable. E.g. A broad peak is preferable within the Time-of-Use option.
- Give reasons for the ranking and any informed analysis.
- Comment on customer ability to respond to the various options.
- Make suggestions to improve any option compared to the current description and note any change in ranking that using those suggestions would make.

Comments will be due May 27, 2016. We are available to meet with stakeholders during the comment period to clarify the material of the discussion paper. Further details and contact information are provided below.

With your feedback and our additional analysis we will be developing a recommended approach. There will be opportunities for further input before an OEB policy is finalized.

Cost Eligible Activity

Filing comments on the staff discussion paper is a cost eligible activity for those stakeholders who have been found eligible for costs awards. The review of the paper and filing of comments is an eligible activity to a maximum of 20 hours. Any meetings of stakeholders with OEB staff are an eligible activity to a maximum of 1.5 times the actual meeting time.

Filing Instructions

Please submit electronic copies of filings in searchable/unrestricted Adobe Acrobat (PDF) format through the OEB's web portal at www.pes.ontarioenergyboard.ca/service and also file three paper copies at the address below. You will need a user ID to make filings through the OEB's web portal. If you do not have a user ID, visit the "[e-filings services](http://www.ontarioenergyboard.ca)" webpage on the OEB's website at www.ontarioenergyboard.ca and fill out a user ID password request.

Please use the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail to BoardSec@ontarioenergyboard.ca. If you do not have internet access, please provide a CD containing your filing in PDF format as described above to the Board Secretary at the following address:

Board Secretary,
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

All filings to the OEB must be received by the Board Secretary by **4:45 p.m. on May 27, 2016**. Filings must quote file number **EB-2015-0043** and include your name, address, telephone number and, where available, your e-mail address and fax number. All filings received by the OEB in relation to this consultation will be available for viewing at the OEB's offices and will be placed on the OEB's website.

Questions about this consultation process should be directed to Laurie Reid at laurie.reid@ontarioenergyboard.ca or at 416-440-7623. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance