



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

31 August 2016

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Re: EB-2015-0363: Cap and Trade Framework for Natural Gas Utilities – Early Determination regarding Billing of Cap and Trade Related Costs and Customer Outreach (July 28, 2016).

The Public Interest Advocacy Centre (PIAC) has been enabling the representation of ordinary and vulnerable consumers, as well as the organizations that speak for them, in proceedings of the Ontario Energy Board during the last four decades. For most of this century, it has assisted the Vulnerable Energy Consumers Coalition (VECC) with the advocacy of the interests of its primary constituency in proceedings involving both the determination of rates and the establishment of energy policies and guidelines that promote fair and reasonable access to energy service.

During its forty years of existence PIAC has also established a considerable organizational profile in researching and advocating consumer protection measures and market structure issues not only in energy, but also in other important regulated industries such as telecommunications, broadcasting, and airline transportation. This experience informs our submission on this issue of transparency and disclosure associated with the implementation of the Ontario government's planned cap and trade regime.

We have had the benefit of reviewing the comments from stakeholders of the natural gas and energy industry in the above noted file, as well as the original submissions of VECC, prepared under the guidance of PIAC's special counsel, Michael Janigan, concerning the issue of line item recognition of the ratepayer costs of the cap and trade program. We strongly support the principles of transparency and the necessity of sending the right price signals as part of best practices for regulatory accounting and reporting. Single line billing for the cap and trade program would appear to be able to lower utility call centre costs, and reflect the expectations of an overwhelming majority of natural gas customers. The proposition advanced in

the Early Determination document that access to utility tariff sheets posted on utility websites should satisfy those expectations seems rather fanciful.

Most importantly, the decision to bury the cap and trade expense in the Delivery charge will likely have the unintended consequence of magnifying its impact beyond the actual amount of the charge. We have all seen measures taken to reduce the effects of climate change be demonized by some consumers as the root causes of escalation of energy bills. By determining that the cap and trade costs are simply part of the utility customer obligations, the Board will be unfortunately increasing the likelihood of the public pillorying of the program as a cost driver for rates well beyond the actual dollar amounts. Public acceptance of the desirability and wisdom of the cap and trade regime can be undermined by the appearance of shielding the relevant cost information, and by the subsequent surmise by many that its impact is so high that it would cause public outcry if it was on the customer bill.

We believe that it is important and essential for consumer confidence and overall program success that this billing decision be reconsidered.

Yours truly

A handwritten signature in black ink, appearing to read "Harry Gow", written over the printed name.

Harry Gow

Board Chair