

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5240
Fax: (416) 345-5866
Oded.Hubert@HydroOne.com

Oded N. Hubert

Vice President
Regulatory Affairs



BY COURIER

March 13, 2017

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

Dear Ms. Walli:

EB-2015-0268 – Hydro One Networks’ Request for an Exemption from the Retail Settlement Code (RSC) Requirement for Distributors to Make Retail Contracts More Visible on the Bill by July 1, 2017

Please find attached an application by Hydro One Networks Inc. (“Hydro One”) for an exemption from Section 7.2.3 of the RSC that requires distributors to make retail contracts, as well as the retailer’s contact information, more visible on the bill by July 1, 2017.

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*;
AND IN THE MATTER OF an Application by Hydro One Networks Inc.
for an Order or Orders including an exemption from the requirements of Section 7.2.3 of the
Retail Settlement Code.

APPLICATION

1. The Applicant is Hydro One Networks Inc. (“Hydro One”), a subsidiary of Hydro One Inc. Hydro One is an Ontario corporation carrying on the business, among other things, of owning and operating electricity distribution facilities in Ontario.
2. Hydro One requests an exemption from Section 7.2.3 of the Retail Settlement Code (the “RSC”) that requires distributors to make retail contracts more visible on the bill by July 1, 2017.
3. Hydro One requests that the Board establish the exemption to begin on July 1, 2017 (the implementation date for the subject requirements in Section 7.2.3) and to remain in place until December 31, 2017. The timing of this request is intended to coincide with the date that several modifications to the Hydro One bill for low volume consumers will be fully implemented as part of Hydro One’s bill redesign project.
4. Hydro One requests that this proceeding be conducted by way of a written hearing.

BACKGROUND

On December 1, 2016, the Ontario Energy Board (the “Board”) issued a Notice of Amendment (EB-2015-0268) to amend various codes and rules to address several findings and implement certain recommendations made by the Board in its *Consumers Come First* report to the Minister of Energy on the effectiveness of the Energy Consumer Protection Act, 2010 (ECPA). Some of the amendments will also support legislative changes to rules of conduct governing electricity retailers and gas marketers in respect of low volume consumers that will come into effect on July 1, 2017.

The purpose of these amendments was primarily to help consumers better understand retail contracts, to educate consumers on their energy supply choices and to provide consumers with greater protection against unfair business practices at the door. In finalizing the code and rule amendments, the Board considered comments received from stakeholders in response to its Notice of Proposal, issued on October 5, 2015, and its Notice of Revised Proposal, issued on September 8, 2016.

In the Notice of Amendment, Section 7 of the RSC was amended by adding a new Section 7.2.3, which requires distributors to include a mandatory statement on the commodity line of the bill of low volume consumers who are served by a retailer that indicates who they are buying their energy from. Section 7.2.3 also requires distributors to include the retailer’s phone number and website on the bill. The Board has set an enforcement date of July 1, 2017 for this amendment.

Hydro One’s bill for low volume consumers currently served by a retailer already states who supplies their energy on the retailer-supplied electricity commodity line item. The retailer’s name and toll-free phone number are also already listed on the bill in the left hand margin of page 1. An example bill is provided for reference in Attachment A.

EXEMPTION REQUEST

In its October 5, 2016 response to the Board’s Revised Notice of Proposal, Hydro One confirmed that it has the capability to include the mandatory retailer information on the bill, as prescribed in the new Section 7.2.3 of the RSC. However, Hydro One raised the concern that it would not be able to implement the changes that are required to be made to its bill by the proposed enforcement date in conjunction with a major bill redesign project, which is currently underway.

To leverage both work and cost efficiencies, Hydro One indicated that it would prefer to include the bill presentment changes required in Section 7.2.3 as part of the scope of the bill redesign

project. However, the changes to low volume customer bills stemming from the bill redesign project are not expected to be put into production until later in Q4 2017. Given the divergence in the schedule for the bill redesign project and the proposed enforcement date of Section 7.2.3, Hydro One requested that distributors be provided with six months following the effective date of the RSC amendments to implement any required changes in its response to the Board's Revised Notice of Proposal.

In the Notice of Amendment, the Board issued the following reply in response to Hydro One's request:

“One electricity distributor requested that the implementation date be extended to January 1, 2018, to enable the necessary billing-related changes to be integrated into its bill re-design project. The OEB does not believe that a further delay in the implementation of the on-bill requirement is warranted. A distributor that cannot meet the July 1, 2017 timeline will need to seek an exemption from the OEB.”

As per the direction provided above, Hydro One is applying to the Board for an exemption with Section 7.2.3 of the RSC to enable Hydro One to code, test and implement the bill changes required to comply with Section 7.2.3 of the RSC together with other bill changes being implemented as part of its bill redesign project. Although all of the bill changes are scheduled to be completed before the end of Q3, in order to ensure billing accuracy, the rollout of the bill changes will be staged to impact progressively more customers over the Q4 period. Hydro One anticipates that all bills sent to customers served by a retailer will be compliant with Section 7.2.3 of the RSC by the end of Q4. Therefore, an exemption with Section 7.2.3 of the RSC is required from July 1, 2017 to December 31, 2017.

The exemption will delay the inclusion of the retailer's website address and the mandatory statement “YOU ARE BUYING YOUR ELECTRICITY FROM” followed by the retailer's name on bills issued to low volume consumers, as required in Section 7.2.3, for up to six months.

During the exemption period, the bills will continue to provide the retailer's name and toll-free phone number, as well as stating “Supply by” followed by the retailer's name on the commodity line of the bill.

EXEMPTION RATIONALE

As mentioned, Hydro One is currently proceeding with a major redesign of its bill for low volume consumers. The project is a complex undertaking that will involve the design, coding and testing of several significant changes to the bill presentation. From a project execution standpoint, it is not efficient or practical to design, code and test the bill changes driven by the bill redesign project and by the amendment to Section 7.2.3 of the RSC as two separate projects. Implementing these changes separately as two different projects would be extremely ineffective as it would result in a duplication of efforts and increase the probability of having to correct or modify previously applied bill changes.

CONCLUSION

Given the magnitude and scope of the bill redesign project, it will be more efficient and cost-effective for Hydro One to design, code and test the bill changes driven by this project concurrently with the bill changes required in Section 7.2.3 of the RSC. To allow for all of the required bill presentment changes to be implemented under one bill redesign project, Hydro One requests an exemption with Section 7.2.3 from July 1, 2017 to December 31, 2017.



Service address:



Your account number:



Bill Cycle 15

Billing date:

August 29, 2016

Page 1 of 2

Filed: 2017-03-13
EB-2015-0268
HONI Exemption Request
Attachment A
Page 1 of 2

Customer service

Hydro One Networks Inc.
PO Box 5700
Markham, Ontario L3R 1C8

View your electricity use at
www.HydroOne.com

For billing and service
inquiries, call
1-888-664-9376
Monday to Friday
7:30 a.m. - 8 p.m.

For 24-hour power
outages or emergency
service, call
1-800-434-1235

For your Just Energy Ontario
L.P. charges, call
1-866-587-8674

Here's what you owe

Balance forward \$0.00
Your Budget Billing Plan amount \$187.00



Total amount to be automatically withdrawn on September 17, 2016 \$187.00



++ The Debt Retirement Charge was removed for certain residential consumption after December 31, 2015. Learn more at Ontario.ca/DRC.

"Eligible" low-income customers may ask for a refund of their security deposit. Any outstanding balance on the account will be deducted from the deposit before it is refunded. To see if you qualify, please visit www.HydroOne.com/LEAP or call us.

For energy efficiency tips to manage your bill visit www.HydroOne.com/SaveEnergy.

Point of Delivery: 10967037

**Compare the electricity
you are using+**

	Number of days	Average Daily Electricity Use (kWh)			Average electricity you used per day (kWh)
		On-Peak	Mid-Peak	Off-Peak	
Jul 06, 2016 - Aug 05, 2016	30				22
Jun 03, 2016 - Jul 06, 2016	33				18
May 04, 2016 - Jun 03, 2016	30				13
Apr 06, 2016 - May 04, 2016	28				13
Mar 04, 2016 - Apr 06, 2016	33				14
Feb 04, 2016 - Mar 04, 2016	29				14
Jul 08, 2015 - Aug 07, 2015	30				26



Your account number



How we calculated your charges

Balance forward	Amount of your last bill	\$187.00
	Amount we received on August 16, 2016 - thank you	\$187.00 CR
	Balance forward	\$0.00
Your electricity charges	Your service type is Residential - Medium Density	
	Electricity used this billing period	
	We read your meter on August 05, 2016	095030.1894
	We read your meter on July 06, 2016	- 094376.9538
	Difference in meter readings	000653.2356
	Metered usage in kilowatt-hours (653.2356 x 1) = 653.2356 kWh	
	Electricity: Supply by JustEnergy	\$50.26
	Global Adjustment: 653.2356 kWh @ 7.6995 ¢	\$50.30
	Delivery	\$67.11
	Regulatory Charges	\$4.21
	Debt Retirement Charge++	\$0.00
	HST (87086-5821-RT0001)	\$22.35
	Total of your electricity charges	\$194.23
	++ Debt Retirement Charge exemption saved you \$4.57.	
	Your Budget Billing Plan amount	\$187.00
Your plan summary	Total of your actual charges billed to date (including this bill)	\$1,889.81
	Total of your Budget Billing Plan amounts billed (including this bill)	<u>\$1,988.00 CR</u>
	Balance remaining in your plan	\$98.19 CR



Electricity : This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Global Adjustment: Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation and payments under contracts. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

Delivery : These are the costs of delivering electricity from generating stations across the Province to Hydro One then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems. A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Hydro One collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges: Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy and Infrastructure conservation and renewable energy programs.

Debt Retirement Charge: The debt retirement charge pays down the debt of the former Ontario Hydro.

NOTE: For a detailed explanation of electricity terms, please visit www.HydroOne.com or www.oeb.gov.on.ca.

+Your consumption is based on metered use as of June 1, 2015. Historically, this was based on adjusted use.