August 17, 2018

**Via Email: Vince.Mazzone@oeb.ca**

Vince Mazzone

Advisor, Application Policy & Climate Change

Ontario Energy Board

2300 Yonge Street, 27th Floor

Toronto, ON  M4P 1E4

Dear Mr. Mazzone:

**RE: Review of Miscellaneous Rates and Charges – Energy Retailer Service Charges EB-2015-0304**

Just Energy Ontario L.P. (“Just Energy”) has reviewed the Draft Report of the Ontario Energy Board regarding Energy Retailer Services Charges and is providing the following comments and concerns.

The Board has determined that “a fully-allocated costing methodology is appropriate as it better reflects cost causality . . . ”. We must disagree with this assessment. We agree that it is entirely fair that Local Distribution Companies (“LDCs”) should be able to recover costs that are incurred solely as a result of providing services to retailers and their customers, that is, costs that the LDCs would not incur but for providing these services to retailers and their customers. However, including fixed costs, costs that the LDCs will incur regardless, does not reflect the guiding principle of fairness. Rather, it allows LDCs to offset costs that they would otherwise be faced with were it not for the retail energy market.

Further, the Board has determined that LDC bad debt related to retail customers should be included in the assessment. We have a number of concerns with this inclusion. Has the Board considered the level of bad debt that the LDCs incur on their existing customers in determining the amount that should be recoverable from retail customers? It is not reasonable to allow LDCs to recover more from retail customers than they do from their own customers.

With respect to the Notice of Switch Letter service charge, I question why a fee of $2 is being proposed when the two natural gas distributors cited in the draft report had costs of $1.17 and $1.67. Should the other LDCs not be encouraged and capable of achieving a similar level of efficiency as these two natural gas distributors? Shouldn’t the OEB be encouraging electronic delivery of these letters where possible so as to increase efficiencies and ultimately reduce costs for the Ontario taxpayers? Has the OEB considered allowing energy retailers to send these letters directly given that they could be sent at a lower cost? In today’s modern age, it is very difficult to believe that a letter cannot be generated and delivered to a customer for less than $2.

In summary, we appreciate the opportunity to be involved in this process and support the guiding principles that have been established. However, we do have concerns as set out above with regards to how the revised service charges are being determined. Should you have any questions, please do not hesitate to contact me 905-795-4228 or at nhewitt@justenergy.com.

Neal Hewitt

Senior Legal Counsel