

December 17, 2018

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attn: Ms. K. Walli
Board Secretary

Dear Ms. Walli

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

The Electricity Distributors Association (EDA) thanks the Ontario Energy Board (OEB, the Board) for its November 29, 2018 Report of the Board on Energy Retailer Service Charges (ERSC). The EDA's LDC members will be directly impacted by the OEB's determinations in this matter and we appreciate the opportunity to provide our comments on the Report.

The EDA finds the Board's approach of doubling the currently authorized default ERSCs to be practical. The appropriateness of default values is supported by the facts that LDCs provide similar services to energy retailers and that the costs LDCs incur to provide these services are of similar nature; however, because the level of costs incurred are not similar raises cost causality questions. The EDA views the Board's continuing reliance on standardized default ERSCs in combination with its explicit acknowledgement that LDC's are able to apply for LDC specific ERSCs, as appropriately balancing simplicity, user pay and fairness.

The EDA continues to endorse that OEB policy should permit LDCs discretion to continue to administer the Retail Service Cost Variance Accounts (RCVA) and supports the Board's conclusion that the immediate elimination of the RCVAs is not warranted. Some LDCs see advantages to maintaining the transparent and granular data used to quantify the balance to be recorded in the RCVA, for example, to test that the ERSCs are recovering the LDC's incurred fully allocated costs. Some LDCs suggest that the Board consider whether an LDC applying for LDC specific ERSCs should also administer RCVAs on an ongoing basis.

The EDA welcomes any questions or comments you may have. Please contact the EDA through Kathi Farmer, Senior Regulatory Affairs Advisor at kfarmer@eda-on.ca or 905.265.5333.

We thank the OEB for administering this phase of the review of Specific Service Charges and look forward to both the OEB's final determinations on OEB authorized ERSCs and to the next steps in this project.

Sincerely

Justin Rangooni
Vice President, Policy & Government Affairs